



Philippa Gail as the Princess of France (fourth from left), Steven Grives as the King of Navarre (fourth from right) with Paddy Ward as Boyet (centre)

rd Review

Song of songs

by MAX LOPPERT

of verses from the Song of Songs for 16 necessarily quick-witted choristers, and a characteristically exotic orchestra of chamber proportions, with the addition of guitar, celeste, harp, harmonium, and six percussion players required to blow ocarinas (or conches) as well as to beat out a glittering array of metal. The work was first heard at the 1973 Gulbenkian Festival and, in this country, at Edinburgh in January, 1975.

I was present at that Edinburgh performance; the dissatisfactions the work aroused at the time were those so often voiced about the Polish composer that his reputation was almost a cliché. A fresh encounter has done nothing to diminish doubt; if anything, familiarity with the music, heard on the EMI record in a sound-picture of quite breathtaking clarity and vividness, entrenches dissatisfaction the more forcefully.

Penderecki's ability to calculate instrumental effects of ecstatic stimulation is among the more inventive in music to-day, but once the capacity to excite and stimulate has been exhausted, there proves to be little else to absorb the attention.

The particular novelty of the music, though it draws on techniques familiar from *Luke Passion* and *Utrava*, is the breaking of the Biblical text into modern fragments, to be cried, hummed, muttered and generally fractured, seldom to be comprehended for direct or continuous sense, not to speak of poetic content. Instead, the instrumentally-used voices blend with the instruments themselves, in a picture of passion daubed and detailed with textual devices of sometimes staggering ingenuity (the opening, a close, lush weave of voices behind which the ear catches of each-note is perceived, is a notable example). But passion manufactured is passion soon dissipated when not substantiated by musical working of a soldier, note-against-note kind. The extraordinary feature about so much of Penderecki's music—on side two the familiar *Hiroshima Threnody* and *De natura sonoris*, No. 1, further bear out the impression—is the way the degree of colour-and-flavour variety renders the colour and flavour, after a while, indistinguishable.

Happily, a more distinctive kind of music is also heard on this record in *The Dream of Jacob*, a short orchestral fantasy (first given in London, at the RAM, in January, 1975), whose musical material, still intriguing as sound (the ocarinas emit their blanching sea-murmur once more), prompts a more particular and personal response in the listener. This is partly, I think, because orchestral variety is less the overriding motivation; and partly because the attempt at a comparative colour-and-flavour restraint has forced a concentration on matters below the surface. This is an interesting, provoking record, by a composer who so often excites and then disappoints expectation: for the sound-addict, it is an obligatory acquisition. The cover illustration is deplorable, and the sleeve essay by Ales Orga is not always lucid.

Heard after Penderecki, *Alexander Nevsky* was a helpful contrast, in addition to being a pleasurable experience. With its instrumental effects no less purposefully calculated (as they must be, in film scores), and its material not so much developed as simply joined, the score makes still, after countless hearings, a heart-warming effect. The cause must surely be the natural distinction of Prokofiev's melodies and assumption of the large, popular variety of his music, which is bright and exhilarating. Ormandy feeling for that broad, expansive style has few rivals, at least in the West (a point made clear by the earlier, at times more careful EMI/Previn version). In the *Lament*, one of Prokofiev's simplest and finest songs, Betty Allen makes a more idiomatic sound than EMI's exquisitely refined Anna Reynolds; but her lines are short-breathed. The Mendelssohn Club of Philadelphia, surging into the music with immense (un-Mendelssohnian) gusto, similar relish in the orchestra is complemented by greater polish. The EMI/Previn collection from this set—made by the King's choir in the

David Willcocks era. Now that it is past the consistent level of beautiful singing that the conductor encouraged and that this set celebrates, can be saluted for the fine achievement it was. The commonly expressed criticism of King's performances used to fix on their blandness, with pearly-toned boys topping a smooth, shining sound too often unresponsive to the particular currents of different kinds of music.

There is a kind of blandness about some of the performances here; but it is, to my ears, more often a rhythmic than a tonal quality—lack of accumulated momentum in the Schütz 150th Psalm; lack of definition in the *British Hymn* to St Cecilia and *Missa brevis*. (In the latter, and in a glowing account of the *Germania* of Corbis, a more definite attack, with voices focused on the individual shape and direction of their lines, is encountered on the pleasing British record from Winchester Cathedral.) More often, the King's style displays a reflective serenity, compound of steadiness, restraint, and "the long view," that is no less civilised for being presently out of fashion. In music to which the style is best suited—the long, perfectly shaped lines of Palestrina (*Missa brevis* and *Motet Hanc dies*), and the modal earnestness of the Vaughan Williams *G minor Mass* are the notable examples on this set—the performances are of matchless beauty.

Open Air Theatre, Regent's Park

Love's Labour's Lost

by JEREMY KINGSTON

Daisies pied and violets blue (and cuckoo-buds of yellow hue) have long since withered in our parched meadows. But the amphitheatre in Regent's Park still curves around an oasis of green. It is pleasing to pass an evening there watching vows of celibacy exchanged for lovers' knots in this youthful play, where mouths of empty rhetoric are rebuked, and where the rain continues to hold off.

On the flanks of a grassy knoll, with rustic steps and logs here and there, the dry verse of the preliminaries is whipped swiftly past. And though the characters must laugh merrily at arcane quips and incomprehensible riddles, these passages really gave easy delight. This was the discovered love-letters scene in which each in turn upbraids a colleague for breaking his vows and then is revealed to have done the same. There is movement here not the taking up of stately attitudes but

who speak poetry lightly, with clarity and composure. Ursula Mohan lets a vein of melancholy show through the merriment of Rosaline, to the enrichment of the character. Their opposite

even so it is only Clive Arin-dell's Berowne that brings a true bright spirit. He makes a neat, athletic hero, able to puncture his swift rhetoric with distinctly happy smiles—though the hand reposing on the waist sometimes edges his performance too near to the heros of panto.

Of course it is the comies who carry the evening and bear our contentment in their hands: Anthony Sharp's Don kissing the greensward where his awful wench has trod; David Cordy's Costard flat on his face before the Princess; a Holofemes from David Whitworth chewing Latin tags like plugs of tobacco; and one of their scenes as a group an utterly bewitching curate scene from Richard Gooden. Now in his eighties, he nimbly scampers after his high-stepping colleague, curls up like a ball at their feet and enthusiastically cheers at howls like a mischievous old white-haired nun. It is an enchanting performance.

Current works of crime fiction and espionage are reviewed on page 12.

numbers have a more cloyed verse to deliver which may go some way to explain why only one of their scenes as a group really gave easy delight. This was the discovered love-letters scene in which each in turn upbraids a colleague for breaking his vows and then is revealed to have done the same. There is movement here not the taking up of stately attitudes but

Radio drama script-writing contest

West Midlands Arts in conjunction with the BBC local radio stations of Birmingham, Derby and Stoke, is offering three equal prizes of £50 for the best radio drama scripts from people resident in the reception areas covered by the local radio stations or in the West Midlands Arts region.

Entries can be any type of radio drama and need not necessarily take the form of a play, but essentially the judges will be looking for creative radio work. Entry forms are available from libraries and arts centres or direct from West Midlands Arts, Birmingham Arts Shop, City Arcade, Birmingham. Closing date for entries is September 30 and winners will be announced in January, 1977.

Oxford Playhouse

Arms and the Man

by GARRY O'CONNOR

It was Shaw the socialist seer who some 30 years ago held out the promise of a richer, diverser life if Socialist principles prevailed more widely. Nearly 50 years previously, when *Arms and the Man* was written, his fiery socialism was just beginning to emerge in the character of the Swiss mercenary Bluntschli, and prophecy had not yet begun to raise its ugly head. A pity, because in the cynicism of some of Bluntschli's early speeches the fascinating problems of the hired soldier who kills for money—the complete opposite of the socialist—is touched upon, but hardly developed. He remains merely and superficially contrasted to the empty-headed heroism of Major Sarsanoff, which audiences at the time considered daring enough.

Shaw was primarily intent on proving his own professionalism, tailoring a well-made, slightly serious idea to the conventional happy ending. The way Bluntschli, a soldier of fortune, turns out on his father's death to be richer than all the fashionable Bulgarians, was greeted by a moan on the first night of this year's Oxford Summer Festival. Otherwise in Michael Meacham's very straightforward and well-paced production, it is only too evident how little charge the constant iconoclastic tactic has in a world in which there are definitely no icons left.



Sinead Cusack, Barbara Murray, Peter Egan and Nigel Stock

Where is a man with principles like Sergius Sarsanoff? Peter Egan has certainly never met one, because he plays him as a complete stereotype, a puffed-up piece of charade with whom one could never have much sympathy. He is a little blurred in articulation at the beginning for the demands of this year's Oxford Summer Festival. The demure bedroom scene, in his logic, beautifully timed.

his stride. Sinead Cusack as Raina, establishes a pretty balance between the artifice and the skeletal substance of the ingenu with an emerging will of iron.

The most assured performance at present is John Stride as Bluntschli with tousled grey hair as a besmirched fugitive in the demure bedroom scene. It is his logic, beautifully timed.

nt Garden

Seraphic Dialogue

by CLEMENT CRISP

ine years since we last saw the Graham Company in and during that time—the London Company—Dance Company—technique and the manner have put down roots here. Modern no longer an exotic it is indigenous, and we look at Graham and more educated before, her aesthetic is now a fibre of dance in this And, witness, the Opera House season, it is more general. Dialogue, which is the programme, looked like most of the repertoire it is by Isamu Noguchi—this is a wonderful opportunity to judge the stature of a great stage decorator—and it is a marvelous economy.

Learning golden geographies that seem to hover stage are the heaven rich the saints survey re's story, and Graham Joan contemplates her

life at the moment of her exaltation. Her other selves—the maid, the warrior, the martyr—each play out an aspect of the spirit's journey from the first call of destiny to the pyre. The purity of the dance manner, which creates "portraits" of the stages in Joan's history with superb simplicity of means, is entirely apt. So too the involvement of Noguchi's design, to the absolute rightness of the central structure in which St. Michael is placed like a figure in a medieval stained-glass window, and the power of smaller, contrived, which hold the sword and the cross.

How marvellously Graham uses these. At moments the sword and the body of Joan become one in St. Michael's arms; the gates of "heaven" open to allow Saint Michael to descend to Joan and close finally upon them when Joan has passed through all her trials. This unity of appearance and language gives *Seraphic Dialogue* its clarity and force, and performance last night was ideally responsive. Takako Asakawa was Joan; Elisa Monte, Lucinda Mitchell, and Janet Elber her three selves; Mario Delamo was St. Michael; their interpretations could not be faulted.

The second work in the programme (which ended with *Appalachian Spring*) was *Circe*. This had its first performance in London in 1963; it looked then an interesting if not a major piece, and so it seemed again last night. It is a tale of man's animal nature and "the price one has to pay to choose to be human," with Circe as the sole female figure, surrounded by the men she has already turned into beasts, using her wiles against Ulysses and his helpers. I do not care for the thin tones of the Hovhannesse score, and though Graham's choreography has a certain shrouded sexual power, it lacks for me the weight and probing, revelatory power of her great mythological studies. It was very well danced by Yuriko Kimura as Circe, and by her six companions, but they cannot convince me that the theme has found any very urgent expression.

Albert Hall/Radio 3

Scenes and Arias

Nicholas Maw's *Scenes and Arias*, first heard 15 years ago at a Prom, returned to these concerts last night, occupying the place of honour in a programme given by the Halle Loughran. For a score not cast in an advanced idiom, a decade and a half may prove a dangerous stretch of time. *Scenes and Arias* (which in the meantime has not lacked for performances, and has been recorded) came up fresh and full-blooded. In a sympathetic if not ideally rich or polished reading, with Jane Manning, Margaret Able and Helen Wake as the three vocal soloists who share the medieval love lyrics written alternately in French, English and Latin.

This is a score of mixed genre, somewhere between symphony, tone-poem and operatic scene—rather like Hugh Wood's *Scenes from Comus* which followed a few years later. The dramatic side of Maw's work is implicit rather than explicit. One cannot imagine it even demi-semi-staged, though since it falls into defined sections, it might advantageously be danced. Maw used what was then an unduly large symphony orchestra with triple woodwind.

Strauss is often invoked in connection with this composer's music, but if a Germanic source must be found, Henze seems more likely. And Strauss was not the only 20th-century composer who wrote voluptuously for female voices—the trio in *Rosenkavalier* is surely less generous than Maw's. The second act trio in *Peter Grimes*—one of the seminal pieces of modern English music in an independent, self-conscious way, this work links up with one of the English late-romantics—Bax, the concert, which closed with the Fourth Symphony of Brahms, opened with the Sixth of Vaughan Williams. Not very good planning, fear BBC—one of those juxtapositions achieving neither contrast nor mutual illumination. Not a good start, in fact, in any way—in the first movement, the Halle strings played as speedily as one began to wonder if this once an arresting symphony had crumbled to dust. The second movement was muffled in effect, the menace having, as it were, receded to the middle distance. Then the scherzo, with its brutal, take it or leave it counterpoint, came to sudden, rough life. In the finale, the Halle fully retrieved its good name with an account of those still haunting, ghostly meanderings which kept the not very numerous audience impressively still. RONALD CRICHTON

St. John's, Smith Square

Baccholian Singers

Few contemporary composers can expect two London performances of their music on one day, but good planning enabled Nicholas Maw to achieve just that last night. The Baccholian Singers presented their first London performance of his *Reverdie*, specially delayed to the end of their concert so that the composer (and a small band of admirers and critics) could come directly from the Prom performance of *Scenes and Arias*.

Reverdie is a cheerful, unpretentious group of five songs on 14th and 15th century texts. By turns lyrical and lively, the most successful in this account were the lightly-scored numbers "Bird on a brier" (Bird on a brier), with a rich central section, and the final "Al nist by the rose" (All night by the rose), in which the five male voices were most successfully balanced. In the first and last songs—the latter an appropriately bacchanalian poem—"Dronken, dronken"—the sound was confused by the over-generous acoustics of St. John's.

This problem had also affected the part-songs heard earlier, though the group's full ensemble of eight singers ensured a more favourable balance of tenors. Whereas most male-voice groups seem to compile their programmes from ancient and modern the Baccholian Singers concentrated rewardingly on the romantic repertoire. Sheer skill of ensemble and accuracy of tuning distinguished two Strauss songs, "Der Gondelfahrer" and "Die Lotushume," though the hurried Schubert's peaceful "Der Gondelfahrer".

Most enjoyable was the lack of affectation in their sound: the individual voices were clearly distinguishable, for each is a soloist in his own right (Ian Partridge, Paul Elliott, Rogers Cowie-Crump and Ian Thompson were the tenors), and there was no reduction to a lowest common denominator of tone in Elgar and Delius part songs, which had a full, languid richness. If the evening seemed insubstantial, that was partly because the longest piece (Britten's *Ballad of Little Jesus*) lasted under ten minutes, and partly because the audience was so thin.

NICHOLAS KENTON

Jetting Away With Murder

by MICHAEL COVENEY

sons that have nothing thrillers traditionally keep in this notice. I never reporting on them, and (b) even that much may not be true. For everyone is in some sort of league with each other in the budding-off business: Waldo and his son-in-law, Ullek Drummond (Anthony Bale) are surprised by a character who appears to be a psychopathic murderer hungry for revenge on the boss class but who in fact turns out to be Ullek's chum Damien Foxworth (Barry Foster). Ullek and Damien are perhaps a diluted version of Burgess and MacLean and certainly both embroiled with Maggie, married to Ullek and played by Hildegard Neil. In the course of the fun and then confronted with games, Waldo suffers a heart

geture: Damien starts to bribe Ullek, Ullek manipulates Maggie to the point of suicide; Damien and Ullek fake a fatal car accident; Damien assumes the role of a pipe-smoking Yorkshire detective; Ullek squirts Damien with a drug-spray; Ullek predicts that Maggie will cut her wrists because he "wants what makes her tick"; Waldo suggests that Damien is not only a murderer, but also bisexual; Maggie admits to murdering Damien; and, before a rerun, with twists of the play's first scene, Ullek is presented with a loaded gun with which to blow his head off.

If the bones of all this were played with each other in the proceedings, just the heavy procession of arbitrary thuds of plotting and the occasional dreadful line that encourages laughter in the wrong place. One thing is beyond doubt: the policeman is innocent. The director is Robert Chetwyn, the designer Hutchinson Scott and the excellent sound effects skillfully operated by Graham Binks.

Arthur Martin presents evening on the Thames with Adel's Water Music the Symphony of London 15th August. Departs from Tower Pier 7 p.m. 15.00 available from: Tower Pier Booking Office, Thames St. E.C.3 (01-709 8697), or by post from Arthur Ticket Dept, 95 Gladstone Road, Wimbledon, S.W.19; enquiries: 01-870 2581.

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'Unprecedented' rise in business necessitates higher ECGD limits

BY MARGARET HUGHES

AN "UNPRECEDENTED" increase in commitments by the Export-Credit Guarantees Department (ECGD) necessitates a further increase in the statutory limits imposed on the department's activities, Mr. Michael Meacher, Parliamentary Under Secretary at the Department of Trade announced yesterday.

British exports insured by the ECGD totalled more than £8.39bn. in the last financial year—an increase of 28 per cent. on the previous year. There was a particularly sharp increase in large project business insured under the buyer-credit facility whereby the Department guarantees the repayments of loans by British banks to overseas buyers. These exports increased 49 per cent. last year to reach £384m.

These provisional figures were announced yesterday by Mr. Meacher, when he was explaining proposals for raising the statutory limits on the ECGD's commitments by £3bn. to the Standing Committee on Statutory Instruments, and which are now expected to be approved by Parliament.

This is the second time in just over six months that the ECGD's liabilities ceiling has been raised. The Export Guarantees Amendment Act of the early part of last year allowed for an increase of up to £9bn. by Affirmative Resolution of the House of Commons in three tranches of up to £3bn. each. At that stage the ceiling was £12.2bn.

Normally the statutory limits remain in force for several years. But by November of last

Scotch tariffs plea

BY RAY PERMAN, SCOTCH CORRESPONDENT

BRITAIN must press at the General Agreement on Tariffs and Trade talks now taking place in Tokyo for the end of discrimination against Scotch whisky, Mr. Adam Bergius, chairman of the information and development committee of the Scotch Whisky Association said in Glasgow yesterday.

Exports rose by about 1 per cent. to 41.8bn. proof gallons in the first six months of this year, compared with the same period last year. The industry's target

was for an 8 per cent. annual growth in overseas sales.

"If, in fact, we do not achieve the target of eight per cent. then a major factor will have been the failure of the Government to obtain for our industry the right to compete in world markets on equal terms with its competitors," Mr. Bergius said.

"In the last two years no less than 50 countries have increased the internal taxes and tariffs which they impose on Scotch whisky," he said.

Australian imports up sharply

BY KENNETH RANDALL

CANBERRA, July 21.

AUSTRALIAN CAR imports in June bounced back to their highest level since December 1974, just before the Government introduced tariff quotas to protect the local industry from a flood of imports, mainly from Japan.

The June figures issued today show total imports at 11,365 with 8,068 coming from Japan. Japanese imports were the highest since February last year. In May, total imports were 7,306 with Japan supplying 6,861.

Italian imports in June, led by a new Fiat model range, jumped to 1,788, their highest point in more than two years and were second only to Japan. France, Sweden and Britain also stepped up their exports compared with most recent months.

Under the influence of the tariff quotas, car imports for the 1975-76 financial year were 37 per cent. lower than in 1974-75—93,821 against 147,565.

Suppliers now appear, however, to be stepping up their activities to prepare for the new import arrangements which will place current quotas from the end of this year.

Separate statistics issued today also show the booming market for cars in the first half of this year, despite depressed consumer demand in practically every other sector.

New car registration in June,

Record Japanese output

JAPAN'S MONTHLY production of cars broke the 700,000 unit mark for the first time last month with a total of 708,028 units, up 20.6 per cent. from a year earlier, the Japan Automobile Manufacturers Association said. The previous monthly high was set last April with a total output of 685,057 units.

Output for the half-year ending June 30 also set a record with 3,758,298 units, up 14.9 per cent. over the year-earlier period. This increase compared with a 3.7 per cent. increase in first half 1976 and a 9.3 per cent. decline in first half 1974, the association said. The previous half-year production record was set in the first six months of 1973 with 3,526,325 units.

June's monthly production total for trucks was 249,543 units, up 26.9 per cent. over the year-earlier period. That of cars hit 458,080 units, up 17.3 per cent. over the same period.

The output of trucks for the

first half-year period totalled 1,318,418 units, up 19.6 per cent. over the same period a year earlier. Passenger car production totalled 2,447,777 units during the same period, up 12.5 per cent. from a year earlier. Buses totalled 20,103 units, up 7.6 per cent.

Meanwhile, motor cycle production rose 19.2 per cent. to 1,358,994 units over the same period. May levels to 388,994 units due to a sharp pickup in demand.

Chrysler France said production in the first six months of this year totalled 268,763 completed vehicles compared with 215,908 in the same 1975 period and 24,272 (33,960) vehicles made in knock-down form for assembly outside France.

Exports of completed cars totalled 161,811 (153,468) in the same period, while exports of cars in knock-down form were 33,248 (33,038).

Agencies

Germany fines record companies

BY ADRIAN DICKS

BONN, July 21.

THE WEST GERMAN Federal Cartel office has imposed fines totalling DM24,000 (£5,200) on three record companies, on the grounds that they failed to make clear that recommended prices for their products were not binding.

The three companies are Arion-Eurodisc, Teldec, Elekton-Decca records, and CBS records. The fines are DM10,000, DM5,000 and DM9,000 respectively in a Cartel Office determination against which there is no appeal.

Under West German law, companies are allowed to make, and to advertise, recommended prices for products, but must clearly

state that these prices are not binding on individual distributors or retailers. They are also prohibited from putting any form of pressure on individual dealers to observe recommended prices.

The three record manufacturers are said by the Cartel Office to have used the habitual price group system of the trade to make price recommendations in their lists, without making it clear that the recommendations were not compulsory. State-ments on advertisements that the recommendations were voluntary were correct, but were too small and inconspicuous.

According to the Cartel Office,

its powers of intervention in this specific area are being used for the first time since they were granted under the 1973 Cartel Act. This may be the reason why the fines imposed are a step on the way compared to those meted out to several other industries in the past few months.

The West German record industry, however, has had its differences before now with the Federal Cartel authorities in Brussels as well as in Berlin. Some years ago the European Commission blocked it from trying to stop German-made records from being imported from the West German companies.

According to the Cartel Office,

French win Tunisian contract

By Robert Capwell

PARIS, July 21.

THE FRENCH engineering group Fives-Cail Babcock has won a major contract in Tunisia to build a cement and chalk powdering complex for a sum understood to be around Frs500m. (£58m.).

The deal, first reported from Tunis, was confirmed in Paris today by a spokesman of the French company. The plant will have a capacity of 2m. tonnes annually and is expected to go on stream in April 1979.

The news comes as further confirmation of the fresh impetus of France in the key OPEC and Arab export markets after the setbacks of the last year or so, when many of the heretofore vast contracts failed to materialise.

It comes just three months after Fives-Cail announced a Frs700m. (£80m.) contract for a similar plant in Libya to be built near Tripoli. It will become operational in 1979 and be fitted with a computerised monitoring process.

Statistics issued by the Finance Ministry here in a report on the Tunisian market show that despite its Arab oil producers, France was less successful than most of its main competitors in the OPEC region during 1975. Figures for the first 10 months of last year showed that exports rose only 64 per cent. compared with Germany (up 82 per cent.) and Italy (up 76 per cent.).

Since the start of this year, however, matters seem to have improved considerably. Iran has confirmed its order for two new power stations, while the latest drop in the value of the franc will give a new fillip to French exporters.

RSV orders from Germany and India

By Michael Van Os

AMSTERDAM, July 21.

RSV, the leading Dutch shipbuilding and engineering company, has announced important foreign orders to supply gas turbines for a Russian pipeline system and a crane barge/pipelayer vessel combination for the Indian offshore industry.

The company said in Rotterdam today that its subsidiary Thomassen Holland had won an order worth around Frs125m. (about £26m.) for two gas turbine engines, capacity 15,000 hp, to be installed in gas compressor stations along the 2,600 km gas pipeline connecting Orenburg, in W. German town, with Cuxhaven, in the North Sea.

The contract was placed by the German A.E.G.-Kanis-Hannover company, a part of the project involving the building of 22 compressor stations by the consortium. The last of the Dutch turbines will be delivered in spring, 1978.

Meanwhile, with enormous Dutch State support, RSV's Rotterdam-based company (RSV) has obtained an order from the Indian state oil company, the Oil and Natural Gas Commission (ONGC), worth around Frs30m. to supply a crane barge/pipelayer vessel combination to be delivered in autumn 1977 after which date it will be employed to develop the "Bombay High" oil field off the Bombay coast.

A spokesman for RSV confirmed in Rotterdam today that the vessel would cost Frs50m. which the contract was worth Frs150m. would be financed from funds within the framework of the Dutch Government Aid Programme for India, while the remaining Frs20m. would come from the special Dutch Government employment aid programme.

The Indian order, it was added, would mean around 8,000 man-years work for Dutch industry.

BP Sweden distribution agreement

By William Duffell

STOCKHOLM, July 21.

BRITISH PETROLEUM's Swedish subsidiary, Svenska BP, will store and distribute all products on behalf of Svenska Petroleum, the state-owned Swedish company, from September. The co-operation agreement between a state company and one of the "seven sisters" is said to be unique.

Svenska Petroleum was set up last year as a subsidiary of the state mining company LKAB and the state power board with the intention of breaking Sweden's dependence on the commercial oil companies. A spokesman for OK, the Swedish co-operatives' oil company, last night expressed surprise and disappointment over the agreement with BP.

Svenska Petroleum's management director said the agreement would enable the company to keep costs low by taking advantage of existing installations instead of building up its own apparatus. The agreement does not cover purchasing and marketing.

For BP the agreement means that it can lease out the surplus capacity in its depots and distribution fleet. It is estimated that some 15-20 per cent. of BP's depot capacity will be used by the State company.

Mars is red; 'Life is possible'

MARS really is red, the first colour picture sent down to earth showed today. The picture transmitted by the American Viking 1 lander showed the rock-strewn surface to be a brownish-red like many deserts in the middle of the U.S. and Australia.

Dr. Thomas Mutch, head of the Viking science photography team, said as the picture flashed on television sets at the Jet Propulsion Laboratory this morning: "This is quite surprisingly terrestrial-like—a pleasant scene, definitely not the colours of the moon."

Earlier today, Viking transmitted the first evidence of life-forming nitrogen in the planet's atmosphere.

Dr. Alfred Nier, head of a team of scientists studying the readings sent back by Viking as it streaked down to the planet's surface, put the amount of Nitrogen in Mars' atmosphere at 3 per cent. The

atmosphere on earth comprises 78 per cent. nitrogen. Scientists had guessed at the Martian atmosphere containing a small amount of nitrogen from long distance readings made from Earth and from orbiting spacecraft, but have never been able to prove its existence.

"This is a big, big step in the direction of finding life on Mars," Don Sane, a spokesman at the Jet Propulsion Laboratory, said today.

The Viking lander fell straight yesterday immediately after sending back two razor-sharp pictures of the rock-strewn Mars surface seconds after landing.

But after 19 hours of being out of contact, most of the night, it again began transmitting pictures, this time directly to earth instead of playing it by the Viking orbiting vehicle circling round Mars.

Nitrogen is a gas that is vital to all living organisms on earth. Its compounds are found naturally in minerals and the seas and are widely used in fertilisers.

Dr. Michael McElroy, an atmospheric scientist here, said there was evidence that Mars produced about one hundredth of the amount of nitrogen compound that nature produced on Earth each year. "It is rather high and would allow biology to go well, if other conditions are right," he said.

Dr. McElroy said he believed the nitrogen was being converted into the upper atmosphere by the solar wind, which was falling to the surface of the planet. "It is producing a shower of fertiliser for the Mars surface," he said. "If you look at what you need for life—you need water and that

we have mostly in liquid water here. You need nitrogen to have. You need carbon to have lots of that," he said. "I see no reason to think we know the possibility of the life of Mars. Dr. McElroy's big question was: Mars long enough in the life started? Another was: Were there forms had enough to last themselves, relations became harsh planet."

"If I were a Martian want to grow roots in the sand and poke me occasionally to get a glimpse of the sky," he said.

Scientists say it is when, in a week's time, a mechanical arm will from the Viking snare scoop up a handful of soil for analysis at for traces of life.

Lockheed, Canada sign \$1bn. aircraft deal

BY JAY PALMER

NEW YORK, July 21.

AFTER MONTHS of delay and several reports that talks had run into serious trouble, Lockheed Aircraft and the Canadian government this morning finally signed a \$1bn. contract for the construction and delivery of 18 Orion P-3 long-range anti-submarine patrol aircraft.

That scheme, which planned first deliveries in 1980 was based on very high production start-up costs which the company itself could obviously not afford. The banks were reluctant to supply the funds at least partly because of the way the company's international bribery disclosures had so obviously hurt its sales prospects and basic survival chances.

The new plan has basically cut start-up costs from somewhere over \$250m. to no more than \$50m. Technically, the company itself is responsible for finding this cash but it is widely believed that its creditor banks have agreed to meet most of the cost.

Despite this now successful sale and an obviously improved image, Lockheed still faces a

number of serious problems. Most obvious, of course, is the very low demand for its L-1011 TriStars and the way that production line is still operating in the red.

However, with a new sweeping financial restructuring agreement with its bankers completed last month and now the Canadian Government's obvious commitment to its survival, the large U.S. defence contractor is in a better financial position than it has been for at least 12 of the 24 months.

Vicor Mackie adds from Ottawa: The aircraft is designed to replace the Argus LRPA now patrolling Canada's north and coasts. Total cost to the Government for the programme is \$1,031m. This total figure is made up of the \$1,000m. figure in the national defence department estimates for the programme. An unusual feature in the contract is a "no bribery" clause under which the company undertakes to offer no bribes or annual payments.

Reagan claim 'bit of baloney'

BY DAVID BELL

WASHINGTON, July 21.

THE PSYCHOLOGICAL warfare between the Ford and Reagan camps intensified still further today with both sides continuing to insist that the other is now certain to lose the Republican presidential nomination on the first ballot.

The chief focus of interest remains the increasingly fierce battle for the allegiance of the handful of uncommitted delegates which stands between Messrs. Ford and Reagan and the nomination. Mr. Rogers Morton, President Ford's campaign manager, dismissed as "a bit of baloney" the Reagan staff claim that the Californian has ten more delegates than the 1,130 he needs for a first ballot win.

Mr. Ford's chief delegate counter, Mr. Jim Baker, said that the President's tally will be 11 delegates short, that he will get them within a week and that as soon as he does the Ford camp will

make all the names public. Ford version of events with the New York Times, for instance, this morning putting Mr. Ford only 18 delegates short of the magic 1,130. A number of people among those still nominally uncommitted are known to be waiting for the best time to declare their support and some sources suggest that Hawaii alone has enough of these delegates to put Mr. Ford over the top.

Meanwhile, in Plains, Georgia, Mr. Jimmy Carter, the Democratic nominee, said he also intended to wait for the best time to declare his support and some sources suggest that Hawaii alone has enough of these delegates to put Mr. Ford over the top.

Mr. Carter, however, said he was not interested in the nomination, but was interested in the office of the President. He was asked to declare his support within ten days to accomplish record keeping.

AP-DJ

GOVERNMENT IN PERU

The modernisers' downfall

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

ON FRIDAY, General Jorge Fernández Maldonado, the Prime Minister and standard bearer of the reforming wing of the Peruvian armed forces, left Peru for foreign investors and the process of social change and modernisation started by the Peruvian military when they took power in October, 1968, has petered out. Unless there is some unexpected twist in the Peruvian military regime, which for some years was a byword for intelligent reformism in Latin America, must now take its place with other Latin American regimes as one more guardian of the status quo.

With General Fernández, departed a number of other senior figures, the most influential of whom was General Miguel Ángel de la Flor Valle, the architect of policy which put Peru into the front rank of the non-aligned world and made it a forceful and often vehement spokesman for the underdeveloped countries.

The place of General Fernández was taken by General Guillermo Arbulu, a conservative figure. That of General de la Flor by a senior civilian from the foreign ministry, Sr. José de la Puente.

The programme that the military adopted and pushed through from the time of the October 1968 coup included the taking over of key sectors of the economy such as oil production, railway administration and much of the mining industry, and the establishment of increasing worker-control and ownership in manufacturing industry.

The programme was described rather grandly by its creators as "humanistic, Christian and socialist," unswayed by capitalism or communism, and designed to give the poorer Peruvians a better deal than they had had since the time of the Spanish conquistadores. It succeeded in shifting the balance of power away from foreign investors and from a number of the traditional, ally powerful families of Peru towards the State. There were established a clutch of big government enterprises ranging from the airline Aeroperu to the mining holding company Minero-peru to the fishing complex Coscapeco.

The downfall of the modernisers has taken more than a year to be consummated. In February of last year the hold of the then President and power behind the Peruvian military's reformist strategy, General Juan Velasco Alvarado, was severely shaken by riots fomented principally by the populist civilian movement, APRA. The movement was the personal creation of the veteran politician Sr. Victor Raúl Haya de la Torre, a man who, in his earlier years, was a firebrand and iconoclast, but who now, in his 80s, has moved increasingly to the right.

General Velasco survived that attempt on his rule, but was finally ousted in August during the Non-Aligned Conference in Lima by the Premier and War Minister, General Francisco Morales Bermúdez. It was not clear at the time which way General Morales Bermúdez was going to take the country. General Velasco had become increasingly capricious and isolated within a group of family and personal friends, and there were increasingly worrying reports of administrative corrup-

tion. General Velasco was a man of military figures, with a "Right-wing" slant. General Velasco's departure, it is now clear, was the turning point of the Peruvian military regime.

The balance within the leadership of the Peruvian military shifted to quickly tilt away from the modernisers towards a conservative balance of payments problems began getting worse. Senior military men continued to change in Peruvian politics. General Leonidas Rodóriguez and General Fernández were kept on by General Morales but General Fernández's position became increasingly difficult to maintain after General Rodóriguez went into retirement and as the country's payments difficulties increased.

Disappointing results from the export commodities, combined with slow development and a high level of imports combined to raise the prospect of a balance of payments deficit this year of about \$1,800m. The Government, however, was feeling out to U.S. and other banks for \$500m. to tide over this year. On June 23, the Government was forced to devalue the sol from 40 to 60 centavos, and to freeze prices of rice, oil and other essential services. These moves sparked off another round of riots.

The rioting was followed up rapidly by a bid from the right-wing of the army to seize power.

General Carlos Odría, a member of a Peruvian family, decided to back General Rodóriguez, who has always been a conservative. But the Peruvian military has changed.

The final departure of General Rodóriguez and General Fernández was a result of disagreements. Morales about the he imposed on General Velasco or of pressures by foreign businessmen serving in Peru. It remains to be seen if the conservatives over in Peru and domestic and foreign policy with the United States and Chile and Brazil.

It is increasingly clear that military leaders have imposed a number of changes on Peru's economic and social life. They have stopped, through a full revolution, which declared aim when power. Though several joined much more in the number of Peruvian society the group were not inspired and harnessed allegiance and the mass of Peruvians their plans.

Two years ago a Peruvian society as it is today. We are not orders and getting the said, "but you about a social life."

Krupp expansion in Brazil

BY ADRIAN DICKS

BONN, July 20.

FRIEDRICH KRUPP has announced the formal opening of the first stage of the new plant at Belo Horizonte, in Brazil, producing heavy steel parts and machine tools.

The plant, which will require a total investment of DM50m. (£10.9m.), is Krupp's second major enterprise in Brazil. It has since 1960 had a factory at Campolindo producing forgings and components for the motor industry, which last year made an important contribution to profits.

At the company's annual Press conference last month, the new chairman of Krupp, Herr Helmut Petry, made clear that further

expansion in Brazil would be a major feature of investment strategy in the future.

For the time being, the Belo Horizonte plant will concentrate mainly on producing machine tools and equipment for the cement, oil and sugar industries, and will employ 330 people rising to 560. The plant will have smelters, presses and other equipment capable of turning out individual parts weighing up to 130 tons, the company announced today.

Meanwhile, Salzgeber has announced that its Peimor Maschinen und Schraubenwerke subsidiary has won a \$12m. Brazilian

contract to deliver eight construction cranes.

The type T10 cranes, ordered by Itaipu Binacional, will be used in construction of the \$3.8bn. Itaipu Dam on the Brazilian-Paraguayan border.

Sue Branford writes from Sao Paulo: Sr. Shigeki Ueki, Brazil's Minister of Mines and Energy is visiting West Germany to sign the contract for the purchase of two nuclear reactors. These will be the first of a series of eight that Brazil will be purchasing from the West German company Kraftwerkunion. It is estimated that the two reactors will cost about DM42.7bn. (£940m.).

Hungarian reserves \$1.46bn.

BY DAVID LASCELLES

HUNGARY, the Comecon country which publishes the most detail of its balance of payments, has foreign reserves totalling the equivalent of \$1.46bn. in December 1975, according to the National Bank's annual report which has just been published in Budapest.

This figure represents total holdings of gold, foreign currencies, foreign exchange securities and on sight credits, though the total is not broken down for the last year were \$1.4bn. The country's overall debt to the West has been estimated at around \$2.3bn.

Meanwhile Poland, whose Western debt is estimated to be over twice that of Hungary, has had an unexpected windfall with the decision by the Tripartite Commission on the return of war booty to restore to Poland 2.5 tons of gold seized by the Nazis during the last war.

The gold, worth \$8.5m. at yesterday's price, originally belonged to the Bank of the Free City of Gdansk, since nationalised. The Tripartite Commission, consisting of France, Britain and the U.S. restored the gold at a recent ceremony in Brussels.

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OVERSEAS NEWS

Smith steps up security

BY TONY HAWKINS

SALISBURY, July 21

RODESIA POLICE were reported to be mounting a security operation in the Salisbury area following the two incidents in Salisbury last night.

The police revealed that Chinese grenades were used in the attack on the Salisbury restaurant in which a 19-year-old white man was seriously injured. Hospital authorities told he was on the critical list.

African man was seen running from the La Bohème night club after the second blast, but no arrests had been made and police would not discuss security precautions.

Four more guerrillas were killed in contacts with the security forces. This takes the total of guerrilla casualties so far this year to 451 and 1,088 since the war started 31 years ago. The security forces have lost 57 men this year (122 since the start of the war) and there have been 145 civilian casualties this year (427).

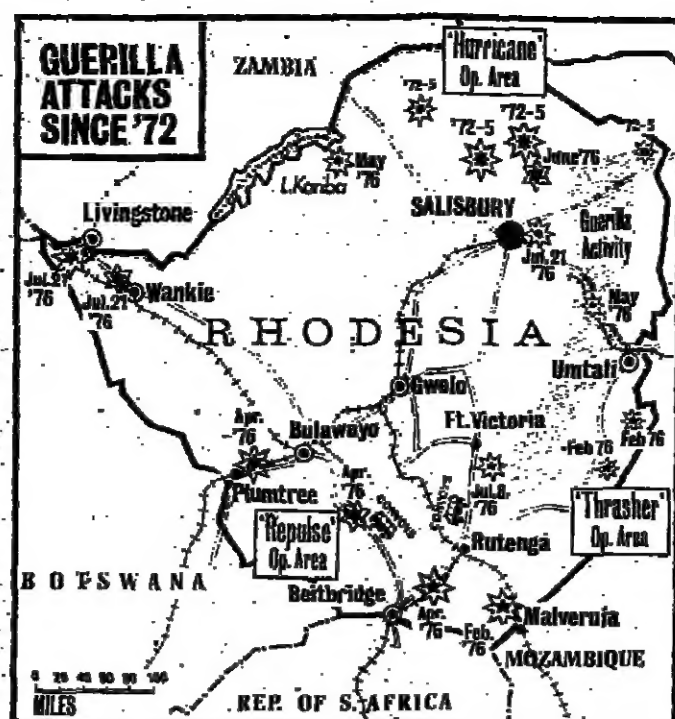
In a separate development, Rhodesia has introduced a system of "exit/entry" cards which all men with a security force commitment must fill in when leaving or returning to the country. The system takes effect on August 23.

In a parliamentary statement today, the Minister responsible for the military call-up, Mr. Reg Cowper, said new medical boards were being established to tighten up on medical exemptions, while men aged 30-34 would be trained by the army and not by either the police or the Ministry of Internal Affairs.

The Minister of Finance, Mr. David Smith, told Parliament today that the reduced emigration and holiday travel allowances would save the country an estimated \$40m. (£25m.) a year. Prior to his budget last week, the cost of these allowances to Rhodesia's foreign exchange was running at about \$810m. (£50m.) annually, he said.

He said that the lower holiday allowance should not be regarded as permanent. It would be reviewed as soon as the balance of payments situation allowed. The Minister said there was every reason to expect the

external payments position to improve provided transport bottlenecks facing the economy, difficulties did not impede exports. Echoing the Minister's comments, the Governor of the Reserve Bank of Rhodesia, Dr. Desmond Krogh, warned industrialists of two potential bottlenecks facing the economy. These, he said, were the possibility that the military call-up would adversely affect the level of output in the economy and the transport situation.



VIETNAM AND ITS NEIGHBOURS

Hanoi goes wooing

BY RICHARD NATIONS IN BANGKOK

THE RECENT good-will tour of Vietnam's Deputy Foreign Minister, Mr. Phan Hien, to five South-East Asian capitals is one of the most encouraging signs of Hanoi's intentions towards its neighbours since the fall of Saigon over a year ago.

Hanoi has normalised relations with the Philippines, invited the Thai to talk next month, and announced its intention to send an ambassador to Singapore before the year is out. Moreover, Mr. Phan Hien's journey has helped to clear the air, previously thick with mistrust, in the other capitals on his itinerary, Kuala Lumpur, Jakarta, and Rangoon. Yet a question mark can hardly help but linger: is there a change of heart in Hanoi, or merely a change of tactics?

There are indeed sound indications that for the moment, Hanoi sees that it has more to gain from normalising relations with South-East Asian governments than from encouraging their downfall. Hanoi has massive problems of its own. It must clear away the debris of war, reconstruct an underdeveloped economy, and consolidate its military and political gains in Indo-China.

"This is not the moment for adventures abroad. On the contrary, they need help," that is the view of a Western diplomat in Bangkok, who feels that Hanoi may believe that the current power balance in South-East Asia is propitious to "reaching out for help."

Hanoi's diplomatic initiative coincides with the final stages of the withdrawal from Thailand of American forces which Hanoi saw as the most direct and immediate threat to its security. Closing down American bases stood as the unwritten but none the less understood precondition for talks with Hanoi, however keen the Vietnamese have let it be known they hope to resume South Vietnam's seat in the Asian Development Bank.

While there is, of course, scope for considerable regional co-operation, it can only touch a fraction of what is needed to reconstruct the Vietnamese economy. Only the West and Japan can provide the technology and aid on the scale to ensure rapid development of Vietnam's infrastructure and industry. Some Thai officials see the Hanoi diplomatic initiative in the region as a first step in the approach towards Japan. "With Japan's massive investments in South-East Asia, Tokyo has been of attacks against Vietnamese refugees in Thailand and other names. Strong trade links and investment are more likely to grow when the Vietnamese are not to pose a direct threat, but

still close enough to be called upon in the power balancing game which Hanoi is playing to ensure complete national independence.

These shifts in the regional power equation have been followed by a marked change in the emphasis of Hanoi's propaganda line. It has ceased both to attack the Association of South East Asian Nations — as "a new tool fashioned by the Americans for old imperialist purposes," and to call for "people's struggles" against "neo-colonial regimes."

But if the regional power balance provides the background, Vietnam has agreed to allow all Americans stranded in that country at the end of the war to leave from August 1 and take their Vietnamese families with them. It was disclosed in Washington yesterday, according to UPI. The news was released in telegrams from the Vietnamese Ambassador in Paris, Vo Van Suu.

Thailand holds a special position among South East Asian nations in Hanoi's view. The Mekong River, which forms the border between Laos and Thailand, also provides the natural strategic front line for Indo-China, its principal artery of communications, as well as an enormous hydroelectric potential.

Thailand's former Prime Minister, Mr. Kukrit Pramoj, has said that the Thais have clear evidence that the Vietnamese give logistic support, training and arms to the Thai Communist Party in the North-East, along the west bank of the Mekong. "Yet despite this we do not mind. We are willing to make friends."

The Thais expect to make a major step towards normalising relations during their trip to Hanoi next month, and observers suspect the ground work has been well laid during weeks of quiet diplomatic contacts in neutral capitals.

There remains, however, one complicating factor that could disturb the visit. The political mood of the country has been marked by the most popular and best organised anti-Communist campaign Thailand has seen since the fall of military rule three years ago. The Prime Minister, Gen. Prem, appears as yet unable to control the right wing of his own party, whose Cabinet spokesman has called publicly for a change of foreign policy.

Observers fully expect a wave of attacks against Vietnamese refugees in Thailand and other names. Strong trade links and investment are more likely to grow when the Vietnamese are not to pose a direct threat, but

audi peacekeeping force takes position in Beirut

MICHAEL TINGAY

BEIRUT, July 21

troops from the Arab League peace-keeping force moved into the Museum area today in an agreement between the United Nations Truce Supervision Organisation and the right wing nationalist party to set up a "blue zone" at the only point where it is possible to cross the lines.

Initially with a hail of mortar shells from the sun side, the Saudi contingent of 120 men mainly in Panhard armoured cars moved forward. After a short advance down the kilometre-long stretch of dual carriageway the Saudi contingent, wearing cars by mid-day as the same time the long PLO delegation headed

by Mr. Farouk Kaddoumi, chief of the political department, left for Damascus to begin talks with Syrian leaders to try to put an end to fighting between Palestinian forces and Syrian troops.

Yesterday's vehement speech by Syrian President Hafez Assad in which he attacked the Palestinian resistance leadership and praised Lebanese President Suleiman Frangieh was apparently regarded here by a defensive speech preparing the ground for active negotiations with the Palestinians.

Despite the appearance of positive developments today a Red Cross relief convoy failed to leave for the besieged Palestinian camp of Tel el Zaitar. A reconnaissance car going ahead in the morning was delayed by heavy shelling around the camp. Reuter adds: The Soviet Union has threatened to cut off supply of spare parts for Syria's Soviet military equipment unless it pulls its troops out of Lebanon, well informed Arab sources said here today.

The Kremlin also warned Foreign Minister Andrei Gromyko at Mashur in Uttar Pradesh early this month that it might pull out experts working on secret, highly sophisticated military installations, the sources added.

Indonesia sets deadline for oil talks

By Hamish Macdonald

JAKARTA, July 21

PRESIDENT SUHARTO today set the end of the month as the deadline for concluding negotiations with foreign oil companies in Indonesia on a higher Government revenue take. The move will affect 26 companies, mostly American, who operate under the production-sharing contracts.

Negotiations have been carried out with the companies since early this year, and picked up after Indonesia successfully won by ultimatum in April contract revisions with Caltex and another company, Stanvac, who work under older-style contracts.

Pertamina's chief executive, Major-General Piet Haryono, today confirmed that the Government was seeking approximately \$2.50 extra out of the \$12.80 price for Indonesian marker crude.

The demand has produced warnings from oil companies that this higher take would leave them no option but to cut back on new exploration.

Amin climbdown in bitter war of words with Kenya

BY QUENTIN PEEL

NAIROBI, July 21

PRESIDENT AMIN of Uganda today called on Kenya's President Kenyatta to forget the two countries' bitter war of words and, in what appeared to be a total climbdown, simultaneously announced the unconditional release of the Air France Airbus hijacked in Uganda since the guerrillas last month.

The move comes just one day before Kenya is due to impose tough new foreign currency requirements on all imports entering Uganda, a move which threatens to cut off practically all trade between the two countries. It also follows reports of extreme reluctance by Ugandan soldiers to fight against Kenya.

President Amin summoned the French ambassador to Kampala, M. Pierre Reynard, to tell him he was releasing the Airbus without pre-conditions, Uganda Radio reported.

Earlier, Uganda Radio broadcasts had said the aircraft would be kept at Entebbe until Uganda had been compensated for the loss of lives and damage caused in the raid.

Uganda Radio reported that President Amin gave a further explanation for the disappearance of Mrs. Dora Bloch, saying that she had in fact been released with the first group of hostages, before the Israeli raid. Meanwhile the Ugandan President's conciliatory telegram to

President Kenyatta promised that all propaganda from Uganda against Kenya would cease, and appealed for the "differences" between the two countries to be forgotten.

Since the hostages were freed, President Amin had accused Kenya of complicity in the Israeli raid, and has issued dire threats to destroy both President Kenyatta's home and the port of Mombasa, where several Ugandans were arrested.

But while Ugandan troops gathered on the frontier, the country was reportedly reduced to only two days' supply of petrol, which President Amin blamed on a deliberate Kenyan blockade.

There was no indication tonight that the Kenyan railway authorities would drop their demand that all goods crossing the border will have to be paid for in Kenya shillings in advance. They have always insisted that the move is purely economic, concerned only with Uganda's alleged debt to Kenya's railway region, and nothing to do with the political dispute.

But a further and crucial factor in President Amin's climbdown is the reported reluctance of his troops to march on Kenya. Although there was little firm evidence to support the Kenyan report of about mutiny, observers here believe that the soldiers may well have made no secret of their reluctance.

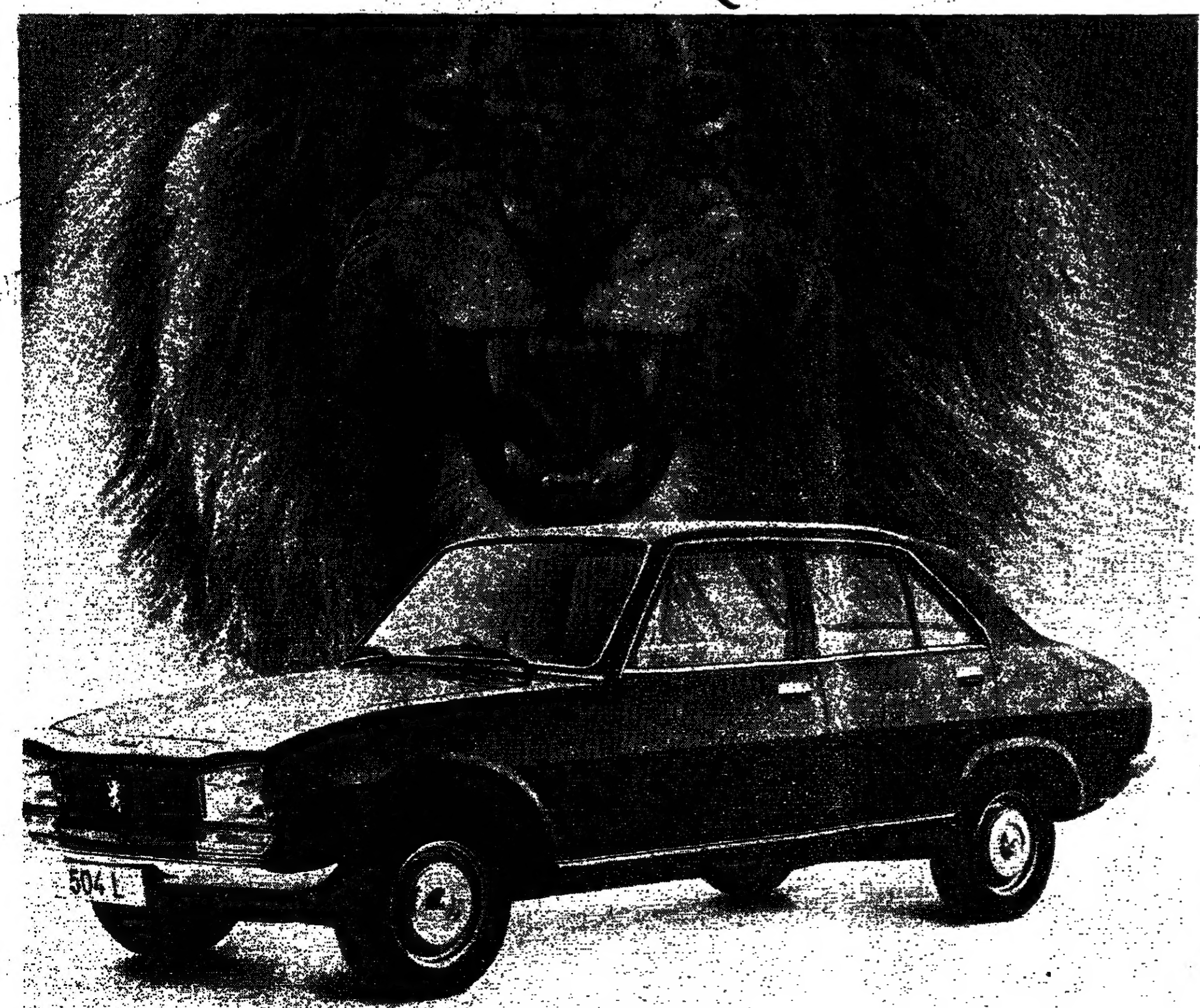
an plans for mile pipeline

C. K. Sharma

NEW DELHI, July 21. INDIAN Oil Corporation is laying a 120-mile pipeline from a 6m. tonnes capacity oilfield in Uttar Pradesh to New Delhi. The pipeline will be used for storing petroleum products, and is to be extended to towns in Punjab and Haryana States, added.

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EUROPEAN NEWS

Dublin likely to face strong criticism over security for diplomatic corps

BY GILES MERRITT

SHAME and undeniable political embarrassment were the predominant first reactions of the Irish Government to the assassination of the British ambassador today, but it is already clear that an urgent investigation of the security screen that surrounded the diplomat in Ireland will soon result in a rigid tightening of the system.

Inevitably, the Dublin authorities will be facing stern criticism on the apparent lack of protection afforded by the Garda Special Branch details responsible for the safety of the almost 100-strong diplomatic corps here.

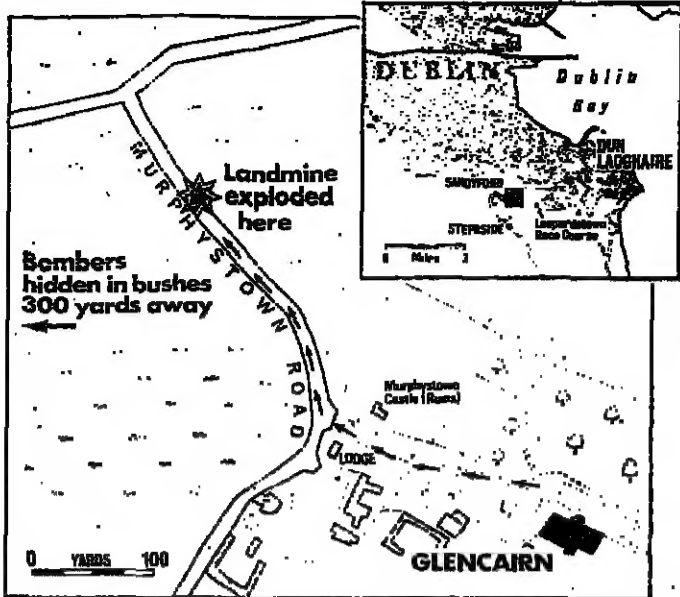
At a tense, rapid-fire briefing to British reporters this afternoon, Justice Minister Mr. Patrick Cosgrave, who is responsible for internal affairs and security, pointed out the difficulties of deciding just how far protection should be extended.

In the event, it is now clear that the strict patrolling of the grounds of the ambassador's official residence did not extend to the surrounding countryside. Because Ireland has remained relatively free of the continuous violence that has turned Ulster into a "war zone" for seven years, no expensive, pared security has not until now seemed necessary.

On the other hand, with the benefit of hindsight, it is possible to judge that the security surrounding Mr. Ewart-Biggs, his family and staff, was unimaginative, in certain areas, inadequate.

The house and its 10-acre grounds are reached through an ornate wrought-iron gate set into a massive gothic stone archway making the "Glencairn" estate itself fairly secure. Three armed plainclothesmen equipped with radio sets patrol the grounds around the clock, and at night the house and lawns are brightly floodlit. A further three security men make up the ambassador's personal guard and there are another three uniformed men on duty all around the house.

These were precautions that the new ambassador and Mrs. Ewart-Biggs found disturbing



residence. These were apparently not patrolled or even inspected from time to time. The Murphys town "B" road that connects the secluded residence to the main road.

Boarded by high hedges, the surrounding fields—some of which are in fact owned by the British Government but let out—offer a clear view of the

a crater 10 feet deep and is therefore believed to have consisted of at least 100 lbs of high explosive. Police technical experts, examining the scene of the explosion, discovered today wires leading away to a point on a hillside. Although Garda patrol cars are instructed to keep a special watch on the area, it was apparently possible for this

vehicles when it turned out of the Glencairn lodge gates. To Northern Ireland, ministers and senior officials' cars are preceded by a security vehicle in order to either detonate any pressure mines that might have been laid, or to confuse the timing of a

visually controlled detonation such as that used this morning. The ambassador's car, containing also Britain's top civil servant in Ulster, Mr. Brian Cubbon, together with his private secretary who was killed, was followed by the car carrying his personal three-man security squad. The third car contained Mr. Cubbon's own officials with a second security vehicle bringing up the rear.

The assassination of any British ambassador to Ireland has never until now seemed a serious threat because of the absence of clear-cut political gain to such Republican organisations as the Provisional IRA.

The February 1972 petrol bombing of the British embassy in central Dublin was a spontaneous protest against the Bloody Sunday shootings in Londonderry, but the deliberate assassination of Mr. Ewart-Biggs clearly seemed so improbable to the Irish authorities that security was not kept at a high pitch.

Even though the unexpected selection of the ambassador as a murder target might excuse a system in which the security men follow official cars and such extremist republican tactics as last autumn's kidnapping of the Dutch industrialist Dr. Tjibbe Herrema is now giving rise to questions in Dublin as to why senior diplomats and officials are not "bored" by leading and following cars.

Perhaps the most embarrassing question that the Irish Government will have to answer is that of the level of vigilance in the area surrounding the British residence.

However, Irish Government sources this afternoon were already rejecting suggestions that there was an inadequate guard on and near the ambassador's residence. "It is not possible to have a minute-by-minute degree of patrolling," one leading security officer remarked.

DUBLIN, July 21.



CHRISTOPHER EWART-BIGGS (above), a tall aristocratic figure whose black monocle covered an eye injury received at Alamein, was previously Minister in the British Embassy in Paris before taking up his Dublin appointment two weeks ago.

The son of a lieutenant-colonel, Mr. Ewart-Biggs, 54, was married with one son and two daughters.

His appointment to Dublin had seemed likely to signal a new British diplomatic assertiveness in the Republic, in contrast to the low profile of recent years. However, Mr. Ewart-Biggs had already caught the public's attention before taking up the post. Under the pen name Charles Elliott he wrote three thrillers—one of which, containing a controversial anti-semitic scene, was being Commissioned in 1942 in the Queen's Own Royal West Kent Regiment, he served in the British military administration in Tripoli (Libya).

He was the Civil Affairs Officer at the Ministry of Foreign Affairs in 1943 and became Arab Affairs Officer in 1945.

He finished serving with the armed forces in North Africa in 1947 and was later appointed second secretary at Bahrain.

He stayed in the Middle East and served as political officer at Qatar in 1951 and then returned to serve in the Foreign Office's Eastern Department.

In 1956 he was made first secretary at the Manila Embassy and in 1958 went to the Mide East.

The following year he was appointed assistant secretary in the African Department in the Foreign Office. He returned to the Foreign Office in 1965.

First test for Community's pre-Budget in revised form

BY DAVID CURRY

BRUSSELS, July

THE FIRST shots in the annual battle between the European Parliament and the Council of Ministers over budgetary powers are likely to be fired here, tomorrow, when the first draft of the 1977 Budget for Community expenditure comes before Ministers of the Nine.

The tortuous theology of Parliamentary powers will be complicated further because of the Commission's adoption of a new form of presentation of the Budget which introduces a distinction between cash—which will actually be spent and committed to be entered into. Apart from severe doubts about whether this presentation is constitutionally acceptable it also makes much more complex the calculations of the margin by which Parliament is allowed to increase the claim for an early and generous definition of its scope for manoeuvre a powerful Parliamentary delegation will

be in Brussels for the meeting. The Council is particularly wary of less Parliament enlarge its claim to be able to write in expenditure without Ministerial approval, building on its insistence last year on adding 20m. units of account for aid to non-associate States. This money has still not been spent, primarily because of French resistance.

Parliament has the power to add a certain percentage to money destined for certain sorts of Community expenditure broadly means programmes not stemming directly from the original Treaties. The Social Fund is the major item here but last year Parliament and Council fought a long battle over the still unresolved classification of the Regional Fund.

The problem with the style of presentation Budget is that Ministers that it could inflate the amounts Parliament claim to fall within its title.

The 1977 Budget in liminary draft (it is September before a firm of agricultural expenditure be sought the amounts to units of account. Very asked for in the way, expenditure, and the X are likely to see numerous provisions for new programmes including the embryonic European Export Bank and Aviation programme.

The Budget has to go through a long series of Parliamentary and Ministerial scrutiny. It is not expected to move forward until September, even if the navigable 1 and constitutional facing them.

Court backs U.K. fishing policy

BY A. H. HERMANN

THE BRITISH GOVERNMENT'S view, that the power to make and implement international agreements for the preservation of fish stocks still rests with the individual member States of the Community and did not pass to the EEC Commission, has been endorsed by the European Court in Luxembourg.

Answering questions submitted to it by a Dutch criminal court before which three Dutch fishermen stood accused of infringing Dutch regulations implementing the limiting of catches agreed under the North-East Atlantic Fisheries Convention, the court declared quite unequivocally that such limitations imposed by member States on their nationals do not endanger the EEC fishing policy and are not a prohibited restriction to trade between member States.

The judgment, handed down at the peak of the Common

Market dispute over whether there should be a 300-mile Community fishing limit and who should rule it, is a masterpiece of judicial tight-rope walking.

While coming down on the side of the British Government as far as the present legal position is concerned, the court, in the grounds it gave for its judgment, went quite a long way to endorse the Commission's aspirations to rule the waves in the not too distant future.

The court agreed with the Commission that Council Regulations No. 2141 and No. 2142 of 1970 established the competence of the Community to regulate the fisheries of member States, but also on the high seas. But it added that the Community has so far failed to implement the Fisheries regime created by the two regulations.

Moreover, the Treaty of the three new states including Britain, ample time for implementation of this accession. According to the Treaty, the Council determine the conditions for the production of fisheries resources.

The next balance act the European Court between British stand and the Commission's aspirations can be seen in the North-East Atlantic Fisheries Convention.

Member states can dependently as long as Community did not take measures to implement fisheries policy. But it did not do anything which prejudice such future measures.

Italy extends deposit scheme

BY ANTHONY ROBINSON

ROME, July 21.

HAVING RECEIVED the necessary authorisation from both the European Commission and the IMF, Italy has formally extended the 50 per cent. import deposit scheme, originally introduced on May 8, for a three month period. For a further three months up to November 3, the Treasury announced today.

The measures, which oblige importers to deposit the equivalent of 50 per cent. of the value of their imports into a non-interest bearing account at the Bank of Italy, have the double effect of discouraging imports

and draining domestic liquidity. A total of L3,200bn. has been taken out of the economy since the measure was introduced. It has been a major factor in stabilising the lira.

Senior Bank of Italy officials meanwhile have revealed that the lira in foreign exchange has flowed back into Italy since the elections last month, which is the only reasonable approach to Glencairn. Had security precautions similar to those in operation in Northern Ireland, where culvert land-mines are a constant danger, been adopted, it would have been recognised that that narrow road was the Achilles' heel in Glencairn's defences.

Set in a rural enclave of fields, Glencairn is nevertheless surrounded by the sprawling Dublin outer-suburb of Sandford. The nine placed in the culvert running underneath the road created

Warsaw undecided over demonstrations

BY CHRISTOPHER BOBINSKI

WARSAW, July 21.

THIS week's trials and sentences of demonstrators in Ursus and Radom has raised serious questions about the overall strategy of the Polish authorities.

The trials threatened to disturb a political atmosphere which had calmed after the Polish burrough approved 45 per cent. meat price increases, and last week put off price rises of other goods until next year.

What is more, there seems to have been little consideration given to the public effect of the trials, which ended earlier this week with sentences of between three and ten years imprisonment—sentences which have brought appeals for clemency from the Italian Communist Party.

Court observers in Warsaw have noted the haste that accompanied the trials and the difficulty in finding out the timing of the next trial of Ursus workers may point to a desire for minimum publicity. No Press campaign accompanied the scanty Polish news agency reports on court proceedings, but there is little chance that this will have much effect. To-day the Warsaw court waived three-month prison sentences on at least two other Ursus demonstrators sentenced by administrative courts soon after the event, and the court, according to correspondence from whom four other had previous convictions or were out

of work, was clearly designed to show that this is the kind of element which takes to the streets.

All this seems to point to continuing indecision in the face of the political situation. Politically the trials can only satisfy party hardliners, though the tone of Polish leader Edward Gierka's speeches had been conciliatory.

The trials may be designed to minimise the effect they may have in the short run, though in the longer term this policy may risk alienating the working class.

In addition, the appeal of the Italian Communist Party to the Polish Party on behalf of the workers arrested and sentenced is seen by observers here as a significant element in possibly moderating the present hardline stance.

Relations between the two parties have still now been good, and they were the co-organisers of last month's Berlin European Communist summit. It is unlikely that the Polish Party, careful as it is of its image in the West as a whole, should let relations deteriorate.

The Ursus sentences will be appealed against, but there is little chance that this will have much effect. To-day the Warsaw court waived three-month prison sentences on at least two other Ursus demonstrators sentenced by administrative courts soon after the event, and the court, according to correspondence from whom four other had previous convictions or were out

Soviet move on access by the Press

Soviet Ministry officials may now speak directly to foreign journalists without having interviews arranged by the Press Department of the Ministry of Foreign Affairs, reports David Satter from Moscow.

The change is announced in a decree handed down by the Supreme Soviet and published in the most recent issue of the Supreme Soviet proceedings.

The decree is an apparent attempt to honour the Helsinki Agreement which provides for freer access for journalists but it is not known what practical effect it will have.

In the past members of Soviet government Ministries, with the exception of the Defence Ministry, would answer telephone queries from journalists. Formal interviews, however, were always arranged through the Foreign Ministry Press Departments.

Sweden unsure

Swedish industry is not particularly optimistic about the immediate future according to the June survey of business opinion undertaken by the Economic Institute, reports William Droll from Stockholm.

Export orders rose during the second quarter of the year but demand remains sluggish and order backlogs are still very low in most branches.

Sampson trial

The trial opened in the Nicola Assizes to-day of Mr. Nicos Sampson, the man who became "President" of Cyprus for eight days after the coup against President Makarios on July 15, 1974.

It was almost immediately adjourned until Monday following a number of objections raised by the defence.

Delay over Turkish negotiations

BY GUY DE JONQUIERES

BRUSSELS,

DESPITE STRENUOUS efforts by the European Community to preserve an ever-widened approach in its dealings with Greece and Turkey, a perceptible note of strain is creeping into relations between Brussels and Ankara.

This evening, EEC officials were still anxiously awaiting a reply from the Turkish Government indicating whether it is prepared to receive high-level representatives from the Community for talks in Ankara at the week-end.

The Community had offered to send Sir Christopher Soames, Commissioner responsible for External Affairs, and Mr. Max van der Stoep, the Dutch Foreign Minister, who is current president of the Council of Ministers, on a goodwill mission designed to clear up possible misunderstandings with the Turkish Government.

The offer was made after

Turkey 'unofficially displayed' sharp dissatisfaction with some of the proposals contained in the EEC's mandate for negotiations on its bilateral association agreement. These were due to be presented formally at a full association council meeting in Ankara on Saturday, but in the absence of any reply from Turkey, this date now seems almost certain to slip by unobserved.

It would thus appear that the EEC will be forced into a situation which it has gone to some lengths to avoid: namely, opening formal negotiations with Greece in its full membership of the Community before having made a start on discussions on negotiations with Turkey.

The EEC's opening declaration in its negotiations with Greece, namely, a statement of the aims and objectives of the EEC membership, was approved, except for details, by EEC Foreign Ministers this week and delivered at the state negotiations in Brussels.

The Turkish Government's main objections to the mandate have to do with its regard as an offer of free access to the Community for Turkish workers. In effect, the calls for little more than solidation of the post roughly 700,000 Turkish workers in the EEC.

Any move to free access to the Community for Turkish workers is, in effect, the vast of Turkish workers' anger, and by the UJ displayed acute sense any steps which could complicate its own problems at a time of internal and going to difficult phase.

Pay restraint helps W. Germ.

BY ADRIAN DICKS

BONN,

THE MODERATE negotiated wage settlements in major West German industries this year are already having a favourable effect on the development of unit wage costs compared to a year ago, the Berlin-based German Institute for Economic Research reported today.

During the first quarter of 1974, the Institute says, there was a decline of 5.5 per cent in unit wage costs, thanks to weakened wage pressure and stronger productivity increases. This compared with a 10 per cent. increase during the first half of 1973.

Looking at average earnings, the Institute finds a 6.2 per cent. increase during the first quarter of this year and estimates that this increased slightly to 6.5 per cent. during the second quarter.

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Further steady recovery in the West German economy is being helped, though it does not fit the rapid drop in the unit wage rate from the present rate of about one mill out of work.

HEINRICH HELMUT drew some heavy criticism from the press for his statement that Italy was not the main reason for the German financial support of the EEC.

Relations between the West German and Western negotiators have played a surprise role.

The feeling here is that there is no significant through in Vienna and West German are held. But the work has already been for a while.

Western diplomat put five years ago I would believe that it was to get the sort of aid in our permanent aid to our Eastern counterparts a senior Eastern minister admitted that this was the first time he had talked to the West, and he had encountered a fascinating and a statement.

Western diplomats generally agree that the MBFR talks have been an example of the remarkable cohesion of the Western Alliance both from within and as regards the East. The main result of the conference, as far as NATO is concerned, seems to be that the prospect of unilateral cuts has been reduced and that the talks have had a beneficial effect on the solidarity of the Alliance. And personal

MBFR negotiation: a most civilised affair

BY PAUL LENDVAI, VIENNA CORRESPONDENT

THE NINTH round of the 18-nation East-West force reduction talks ended here yesterday with the Dutch and Polish delegation chiefs blaming the "other side" for the lack of any significant progress. But both expressed their determination to hold further discussions.

The end of this round of the talks marks the end of one of the most complex diplomatic exercises since World War II. The Mutual Balanced Force Reductions (MBFR) or Vienna talks, while contributing to a better understanding of each other's position" turned into a stalemate ever since the Warsaw Pact presented its basic proposal on November 7, 1973, and NATO replied with a counter-proposal two weeks later.

The main Eastern proposal suggested a reduction of forces by a total of about 17 per cent. in three stages, including aircraft and nuclear weapons. The West, on the other hand, aimed at eliminating the disparity of about 150,000 troops and some 10,000 tanks in the Central Region in the East's favour.

The often used term "undiminished security" meant different things to the two sides. For the East, the purpose of the

talks was to preserve and establish its existing superiority. For the West, the purpose was to arrive at a common ceiling of 700,000 ground forces. And while the Warsaw Pact countries insisted on equal cuts to both sides, NATO felt that the disparity could only be eliminated by proportional reductions to achieve a similar ratio of forces. Furthermore, the East refused to accept NATO's concept of a two-stage force reduction, with first stage cuts limited to the superpowers. NATO originally proposed 15 per cent. cuts of U.S. and Soviet forces in the Central Region of 29,000 and 68,000 troops respectively. NATO also wanted a collective common ceiling for ground forces, while the East pressed for national ceilings, which would have disrupted Western defence policy and made it difficult, perhaps impossible, for the Alliance to compensate for a reduced American presence by increasing other national forces. It seems, was specifically aimed at reducing the West German Bundeswehr.

Despite these two diametrically opposed views, there has been some movement lately. The most important and controver-

sial change was the proposal submitted by the West on December 18, last year, for the withdrawal of 1,000 U.S. tactical nuclear weapons. 54 U.S. nuclear-capable aircraft, 36 Pershing surface to surface missile launchers and 29,000 troops from Central Europe in return for the withdrawal of entire Soviet tank army—88,000 troops and 1,700 tanks.

For its part, the Warsaw Pact has moved closer to the idea of two-stage cuts, with first stage reductions limited to the superpowers and involving a two to three per cent. reduction of overall force levels. The withdrawal of 300 armoured vehicles and 54 nuclear bombers and an equal number of missile launchers by each side.

The West, however, has repeatedly complained that the East has refused to provide any data while NATO put its figures on the table three years ago. NATO pointed out that no agreement could be reached unless all the facts were available. But last month, for the first time, the Soviet chief delegate, ambassador Oleg Chelostov, produced the relevant data about the Warsaw Pact forces. And the talks at last became more concrete.

Observers have been surprised

that even at the height of the deadlock periods, chief delegates, military advisers and other officials kept meeting each other. When MBFR started in the autumn of 1973, there was no precedent for this kind of negotiations. No conference secretariat, no established rules of procedure. Any progress would therefore depend on whether the conference would be able to establish an ambience in which diplomats could argue but also continue to remain in speaking terms. In this respect the conference was a success, and it all began with the singing at the famous Viennese Heurigen, wine gardens, or what one observer called "the Vienna MBFR boys choir" or "the singing conference".

In February 1974 the formal plenary meetings were reduced to a weekly session. At the same time, the two sides began meeting on an informal basis. Every Tuesday, the Soviet and U.S. chief delegates, ambassador Chelostov and Mr. Stanley Resor, met alternatively for about three hours in the respective private residences.

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parties and. Rank countries. Romanian countries suggested that the democratic procedure of mutual information and decision-making was not so evident on the Eastern side, where, of course, the Soviet were the chief voice. The Romanian chief delegate, Ambassador Aninolu, openly criticised last December the practice of "unofficial agreements" with restricted participation and the attempt to find solutions outside the framework of the conference itself.

In addition to castigating the "undemocratic procedures," the Romanians also rejected the thesis that the Vienna talks constituted a follow-up of the European Security Conference. In their view, the conference affected the whole of Europe and not just the two blocs.

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* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Seasonally adjusted. †† All manufacturing industries. ‡‡ Excluding car radios. §§ Deliveries, U.K. made and imported sets. ¶ From May, 1975 onwards new basis of calculation refers to advances in U.K. public and private sector. Historic figures on new basis not available. d Prices. f Including cooker grill toasters. g Value of output. h United Kingdom not seasonally adjusted. i First preliminary estimate. p Provisional figures.

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North Sea oil industry is solving problem of increasing costs

BY RAY DAFTER, ENERGY CORRESPONDENT

THE OFFSHORE oil industry is taming the problems which have sent the cost of development soaring to more than double original estimates. This is the message of a report on North Sea cost "escalation" published by the Department of Energy yesterday.

Dr. Dickson Mabon, Minister of State for Energy, said that the report showed that changing technology, lack of knowledge, and inflation had contributed to higher costs. The oil industry now knew more about installing structures in the North Sea but the result would be a slower, more cautious approach to development.

Increased knowledge of the technology and higher costs involved in offshore development could also make more of the smaller discoveries "marginal" or non-commercial fields. He revealed that one offshore group had applied for a remission of royalty to make the economics of development more attractive; the application had been rejected.

The report concludes that taking all projects in the North Sea, the most recent estimates are over double the initial estimates—an increase of about 108 per cent. For projects active through out the period autumn 1975 to spring 1976 the increase was even higher with final estimates some 2.4 times the initial budgets.

For example, the estimated cost of developing British Petroleum's Forties Field, rose from £350m. in 1972 to £750m. in mid 1975. Although inflation played its part, the oil companies themselves were largely responsible for under-estimating the technology needed to exploit North Sea

gas reserves. The Department of Energy study team, which produced the main report, sees cause for hope, however.

The conclusions are based on studies carried out by consultants Peat, Marwick, Mitchell and Company and Atkins Planning. It was found that cost "escalation"—the amount by which the cost of a project increases above the original estimate—had been of the same order as for major non-oil projects. Because of the short time-scale of North Sea ventures, however, the annual rates of cost increases had been much higher than usual.

The study group sees a number of reasons for the big increase in project costs. Oil companies and manufacturers were hampered by inadequate technical knowledge. There was an initial failure to appreciate difficulties of designing, manufacturing and installing complex structures in the hostile environment of the North Sea.

Furthermore, the very pace of development led to inadequate initial cost estimates. The development pace "was not in all cases supported by the necessary management or project management capability."

In addition there was inadequate basic design and development data and the problems of winter conditions had not been fully appreciated.

The report recommends that the offshore industry should implement a more formal system of quality assurance. Certifying authorities are asked to consider the need for adequate inspection and maintenance.

It also wants to see a standardised weather data system

run by the U.K. Meteorological Office for the benefit of offshore operators; the examination by the oil industry of project management organisations; and industry backing for the Offshore Energy Technology Board.

The report also makes the point that, in a sense, the taxpayer is feeling the impact of cost "escalation." The structure of taxation applied to licensees means that a large proportion of increased capital costs is borne by the Government in the form of revenue forgone. Much of the additional costs were effectively recouped by companies through the Petroleum Revenue Tax allowances.

Often the offshore industry found it difficult to estimate the volume of materials and equipment needed for a project. Their precise requirements for the North Sea had to be based initially on offshore experience in other, less hostile, areas.

Major design changes at all stages of manufacture had produced results that varied considerably from the original estimate. Initially there was typically an under-estimate of the volume of resources needed of between 50 per cent and 100 per cent. Unanticipated price inflation increased the level of costs by between 30 per cent and 50 per cent.

The flooding operations for Howard Doris's oil platform construction yard at Loch Kishorn, Wester Ross, Scotland, was initiated yesterday by Prince Charles. The ceremony, relayed to 400 guests in a London hotel, marked the end of the first phase in the construction of a \$120m. (£67m.) concrete gravity platform for the Chevron group's Ninian Field.

The structure, claimed to be the biggest man-made object to be taken to sea, is due to be completed and floated out to the field next summer.

North Sea Costs Escalation Study Energy Paper No. 7: SO.

PROGRESSION OF STEEL PLATFORM COSTS 1970-75

Cost category	1970	1971	1972	1973	1974	1975
Management	3.9	4.7	5.3	6.0	6.9	8.2
Design effort	2.1	3.1	3.2	3.9	4.4	5.4
Steel	3.3	3.9	4.2	4.2	4.5	8.1
Jacket fabrication	21.2	24.6	27.5	38.1	44.4	55.0
Manufactured equipment	20.1	22.1	23.5	25.3	29.4	36.2
Module fabrication	3.7	4.1	4.6	5.3	6.2	8.8
Offshore services	1.4	1.6	1.9	2.4	3.2	4.0
Offshore transport	1.8	2.0	2.1	2.3	2.7	3.5
Offshore installation	8.4	10.1	13.3	16.4	24.3	24.5
Total	66.4	76.9	85.9	104.1	128.0	155.2
Index of costs	100	116	129	157	193	244

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Industry aid group seeks deposits from public

By Michael Blanden

FINANCE for Industry, the medium-term finance group backed by the clearing banks and the Bank of England, is extending its money-raising activities to attract term deposits from the general public.

The group is offering interest rates at present ranging from 21 per cent to 141 per cent for deposits committed for periods of from three to 10 years. The scheme covers investments from £1,000 to £25,000.

It sees the development as an extension of its existing borrowing activities, which already include taking larger deposits in amounts from £25,000 upwards at money market-related interest rates.

New scheme

The new scheme will be directly competitive with other outlets such as the local authorities for funds available from individuals and from small funds and professional advisers.

At present, however, it is regarded as testing the market, and FFI indicated that it would be pleased if it attracted sums of about tens of millions of pounds a year.

It is hoped to tap the market by offering an opportunity to "invest in British industry." FFI argues that any new source of medium-term funds would be helpful in carrying out its lending operations.

Steady flow

A steady flow of smaller deposits, it was suggested yesterday, would be particularly relevant to the activities of its Industrial and Commercial Finance Corporation subsidiary, which is involved in lending to the smaller company sector.

The other major subsidiary, Finance Corporation for Industry, lends on medium-term to larger companies, and is the vehicle for the funds being provided under the £10m. medium-term loan facility by the City institutions.

The recent FFI annual report showed that £200m. loans had been agreed under this arrangement, of which £116m. had been drawn down.

The interest rates on the new scheme rule until July 30. New rates are to be published in the Financial Times every Saturday and Monday.

Lex, Back Page

Building societies want to raise lending levels again next year

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BUILDING societies want to raise their lending levels again next year and would seek to raise interest rates if necessary to make it possible. This was made clear yesterday by Mr. Raymond Potter, chairman of the Building Societies Association, giving the movement's results for the first half of 1976.

Mr. Potter said that societies wished to raise lending levels next year beyond the £5bn target set for 1976, which itself represents a 20 per cent increase over the previous 12 months. It was hoped that the movement's objective could be met on the present interest rate structure, but that rates would be changed if this was necessary to increase the flow of funds.

The movement's positive stance comes despite the more immediate problems which now confront it. Its competitive position has recently become less favourable and, as a result, the flow of funds into societies has made one of its most dramatic reverses in recent years. In June, net receipts fell to only £131m., a little over a third of the figure achieved just four months earlier.

July has, however, shown a slight upward trend in the movement's position, but it is still some way from the £5bn target.

North planning report calls for self-reliance

BY OUR OWN CORRESPONDENT

THE NORTH of England should make a net contribution to the national economy rather than depend on it indefinitely, the report says.

The report says the region should make a net contribution to the national economy rather than depend on it indefinitely, the report says.

The document, produced by the North Region Strategy Team, says there concentration should shift from attraction of industry from outside the region to development within the region.

It says that enormous progress has been made since the early '80s on problems of changing industrial structure. But the region's economy had still not developed to the point at which substantial Government assistance could be removed.

The team was set up jointly by the Northern Economic Planning Council, the North Regional Planning Committee and the Department of the Environment, to spend three years working out a strategy.

The 173-page report was its third interim report.

Airline to fit warning system

BRITISH AIRWAYS has placed a £300,000 order with Marconi-Elliott to supply ground proximity warning systems for its entire aircraft fleet.

This decision stems from the ruling by the Civil Aviation Authority that all jet airliners on the U.K. register must be fitted with these devices by next January 1.

The ground proximity warning system is a device which warns the pilot both by flashing lights and an aural warning to "pull up... pull up" when the aircraft is flying dangerously close to the ground.

The decision to fit the system follows similar action in the U.S. after a number of public-transport aircraft had flown into the ground either soon after take-off or on landing.

BA likes Concorde

AFTER SIX months in passenger service, British Airways says that it is "delighted" with the Concorde's passenger results to date, on the routes between London and Bahrain and Washington.

The airline said yesterday that its load factor on the London-Washington route is now 93 per cent, while on Washington-London it is 92 per cent. — although it is stressed that these figures are based on the restricted seating capacity of 58-71 offered on the route because of the high temperatures at Washington in summer.

"This sort of load factor is unprecedented for the introduction of a new aircraft type," said BA. "Concorde is now so

Slower growth at airports

A SLOWER rate of traffic growth at the seven airports run by the British Airports Authority is attributed to the decline in the pound hitting holidays abroad.

The rise in passenger traffic at the BAA's airports (Heathrow, Stansted, Gatwick, Prestwick, Glasgow, Edinburgh and Aberdeen) in June was 9.5 per cent, over the corresponding month last year, which is a slower rate than had been evident in earlier months of this year.

Nevertheless, the authority still handled over 3.1m. passengers at its airports in June, with traffic at Heathrow rising by 9.5 per cent, and that at Gatwick by 3.4 per cent.

The Civil Aviation Authority has now brought into use a new £450,000 extension to the control tower at Gatwick Airport.

Marconi sh £270m. Sau contract

MARCONI RADAR Systems is one of a three companies, including Aircraft Interiors Federal Electric Co. of the U.S., which has been awarded a contract worth more than £270m. for the installation of the air traffic system in Saudi Arabia.

Although the team Lockheed Aircraft Interiors Federal Electric Co. is a large share of the total, the provision of control radars, and a communications system, is a major part of the contract.

The contract is a result of a survey work in Saudi Arabia, which is well under way.

War pensioners number 431

THE NUMBER of war pensioners fell by 11.8 per cent in payment last year fell by 3.8 per cent, from 447,000 to 430,000, according to the 1975 report on War Pensioners prepared by the Department of Health and Social Security and the Scottish and Welsh Offices.

Pensions from the 1914 War cent.



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Frab-Bank International

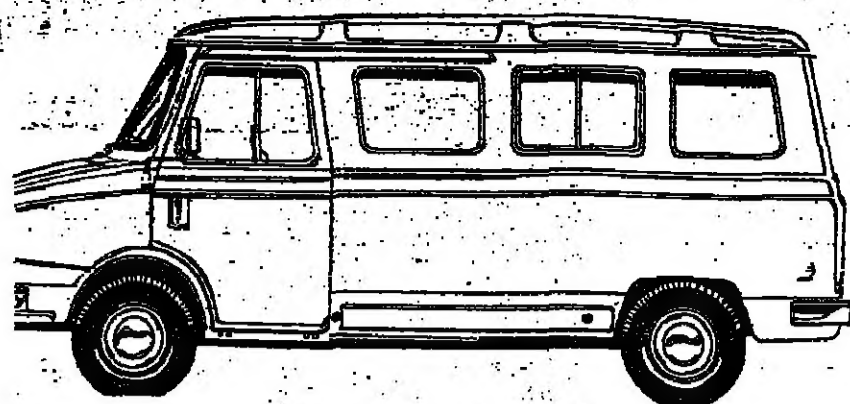
Capital: Flux 2 billion (approximately US\$50 million).

CONSOLIDATED BALANCE SHEET OF EUROPEAN ARAB HOLDING S.A., Luxembourg EUROPEAN ARAB BANK (Brussels) S.A. EUROPÄISCH-ARABISCHE BANK GmbH, Frankfurt AT DECEMBER 31, 1975

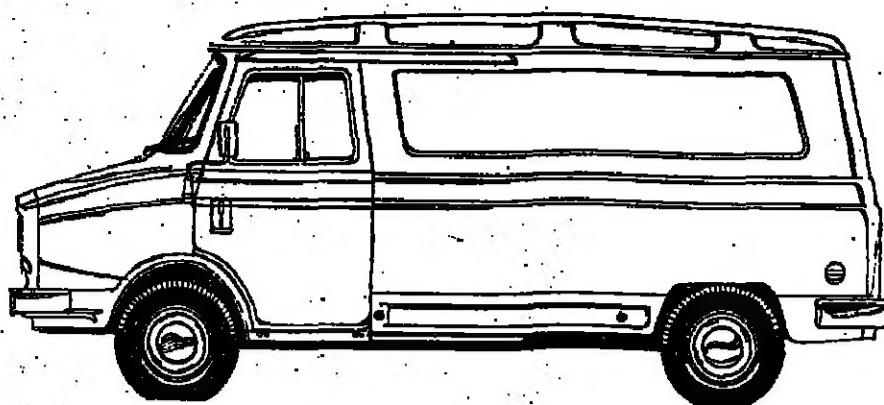
ASSETS	US \$	LIABILITIES AND SHAREHOLDERS' EQUITY	US \$
Cash and due from banks		Liabilities	
Due on demand and up to one month	162,745,245	Deposits from banks	
Time deposits for periods exceeding one month	175,575,398	Due on demand and up to one month	171,571,091
	338,320,643	Time deposits for periods exceeding one month	175,166,281
Bills of exchange on hand	6,533,915		346,737
Customers' liability on acceptances	4,645,909	Other deposits and current accounts	
Loans and advances		Due on demand and up to one month	35,513
For periods up to one year	6,185,696	For periods exceeding one month	23,245,693
For periods exceeding one year after deduction for loan risks of US\$27,100.	53,369,801		23,281
	59,555,497	Acceptances outstanding	4,645
Securities		Provision for possible losses on guarantees given	1,873
Belgian public authorities	280,000	Other liabilities	5,662
Other	1,581,584	Total liabilities	382,206
	1,861,584	Shareholders' equity	
Other assets	4,432,765	Capital	29,754,524
	415,350,313	Legal reserve	247,954
		Free reserve	720,734
		Profit and loss account balance	2,426,366
		Total shareholders' equity	33,149
			415,350

MEMORANDUM ACCOUNTS

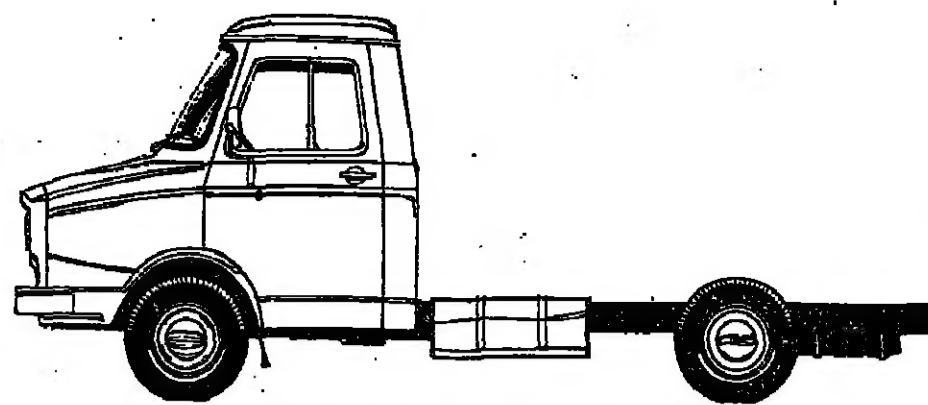
	US \$
Guarantees given	65,581,000
Confirmed documentary credits	115,530,000
Guarantees received	72,249,000
Forward exchange contracts	
Bought	33,710,000
Sold	34,477,000



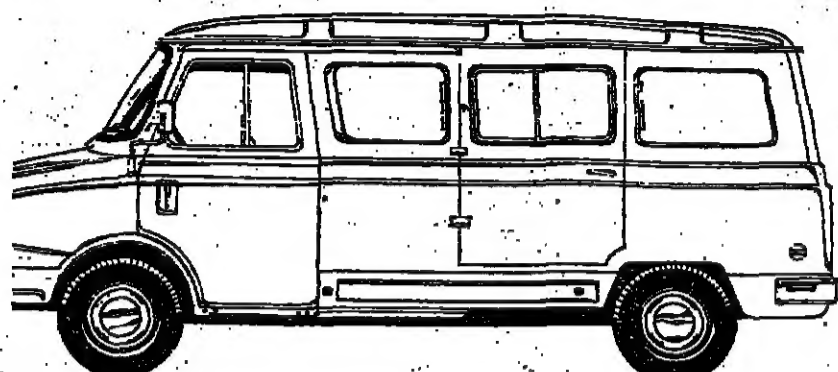
Leyland Sherpa Crewbus



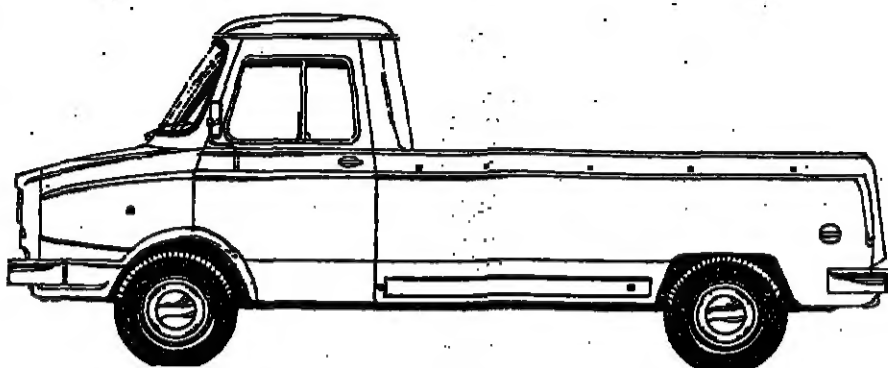
Leyland Sherpa Delivery Van



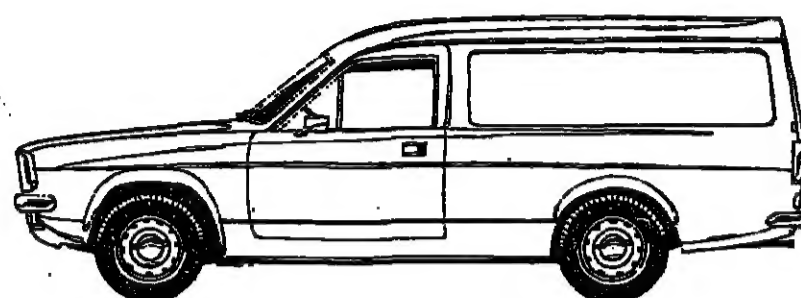
Leyland Sherpa Chassis Cab



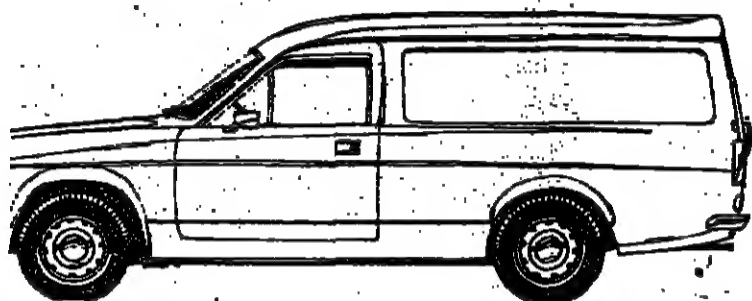
Leyland Sherpa Minibus



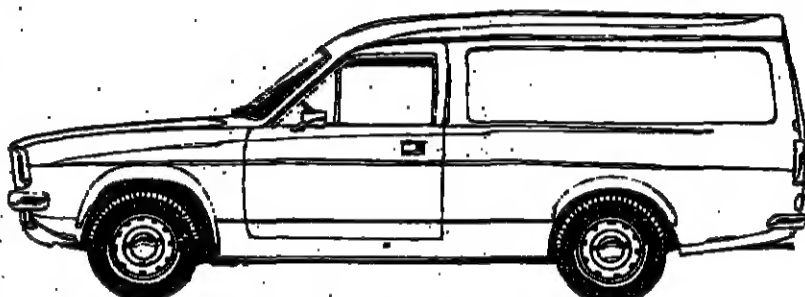
Leyland Sherpa Pick-up



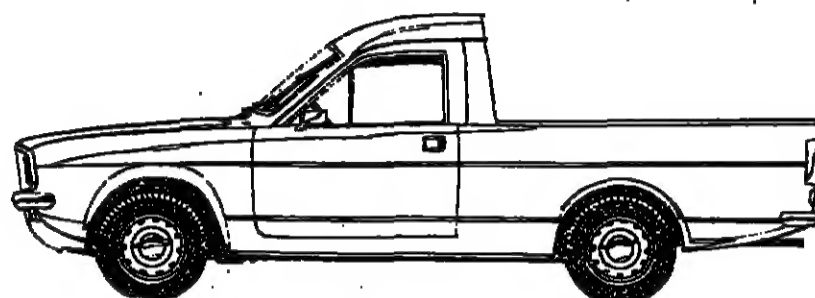
Leyland 7 cwt Standard Van 1098cc



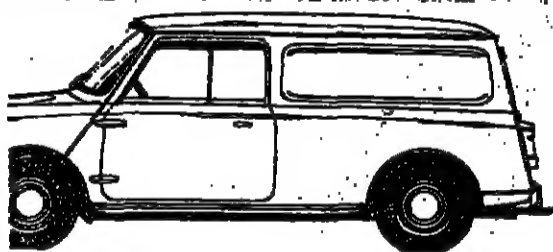
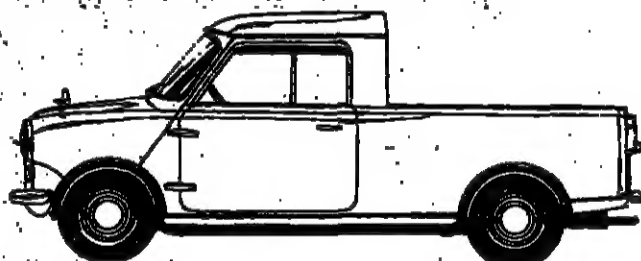
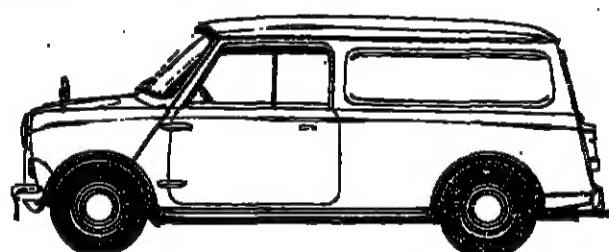
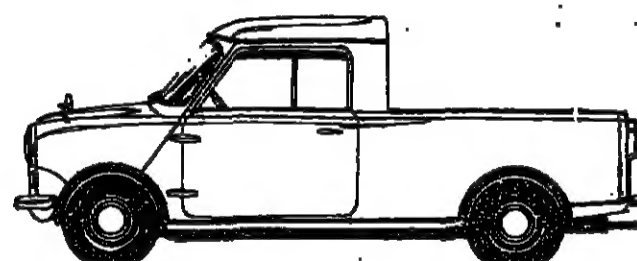
Leyland 7 cwt De-luxe Van 1275cc



Leyland 10 cwt De-luxe Van 1275cc



Leyland 10 cwt De-luxe Pick-up 1275cc

Leyland
Mini 1/4 ton Delivery Van 848ccLeyland
Mini 1/4 ton Pick-up 848ccLeyland
Mini 1/4 ton Delivery Van 998ccLeyland
Mini 1/4 ton Pick-up 998cc

no-one offers you more before you buy. Or after.

Sherpa. 7/10 cwt. Mini. These three series spell out the widest range of light commercial vehicles in Britain.

And although they look different, all have one thing in common. And is the ability to carry more load, for fuel, than most of their competitors.

All three marques have proved their ability in the best possible way - in all working use over millions of miles.

And we back that reliability with most comprehensive 4-point after sales commitment ever offered on any range of light commercial vehicles:



Supercover.

Every single one of our vehicles (even the approved specialist body conversions) comes with Supercover - whether you buy one. Or a thousand.

With Supercover, your vans come with all this:-

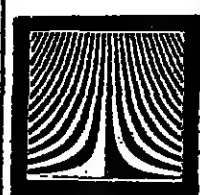
1. A year's free no-mileage limit warranty.
2. A year's free roadside assistance from the AA.
3. A year's free Relay recovery service. (U.K. Mainland only.)
4. A free 69-point pre-sale checkout before you take delivery.

No other manufacturer offers more.

Because no other manufacturer can equal our vehicles.

Before you buy. Or after.

 **Leyland Cars** 



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

WATER SUPPLIES

Level maintained by big bag

A PORTABLE fabric tube dam—a sausage of water 70 ft long and 4 feet high—has been laid across the River Avon to help to maintain water supplies to Bournemouth residents.

The tube dam acts as a weir to hold up the local river level at the Bournemouth and District Water Company's pumping station at Matchams, near Ringwood and has been designed and installed by the Flexible Structures Division of John Hudson (Birmingham) under licence from the National Research Development Corporation.

The dry weather has caused reduction of the normal summer level of water in the Avon by some 18 inches—creating pump suction difficulties at the pumping station. The tube dam installed by John Hudson has a river. Upstream picket anchors hold the dam in position during installation and when it is deflated.

An overflow system can be incorporated so that the dam automatically deflates in the event of a sudden flood producing unexpectedly high water levels. Thus the tube dam is more than just a weir.

Unlike conventional permanent weirs and sluice gates, it can also act as a fully adjustable, automatic opening sluice giving full flow across the entire width and depth of the river. The dam can be removed completely at short notice for servicing or when it is no longer required, or if there is the likelihood of flooding during the winter months.

If necessary, the shape of the fabric bag can be tailored to take account of large variations in the depth of the water across the river.

ELECTRONICS

Competitor for cathode ray tube

NOW being made available in the U.K. through Walmore Electronics is the Burroughs multi-register display module fabricated using the well established Self-Scan II thick film technology.

It consists of a 240 or 480 character panel display with associated driver and display controller boards. A gas discharge device, it is able to display 12 registers of 40 characters, each formed by a 7 x 5 dot matrix with two blank columns between characters. The display area is about 8 1/2 x 4 1/2 inches and the overall dimensions are 11 x 6 1/2 inches.

Walmore claims that the device is a strong competitor for the cathode ray tube in alpha numeric applications. It serves as a buffered or direct read-out device for stand-alone communications terminals, computer read-outs, microprocessor instruments or any system requiring a self-contained display. The cost is less than a CRT and the life is about 10 years.

The system is specifically designed so that it can be easily interfaced to most microprocessors or data structures; the module's internal refresh memory and control logic allow economies in processor time. Walmore is on 01-896 1228.

INSTRUMENTS

Good to one degree

COMPACT, low cost thermistor operated temperature controllers from Appliance Components cover -30 to +110 degrees C in three ranges with an accuracy of ± 1 degree C at mid scale.

Likely applications are in ovens, driers, moulding machines, medical equipment, water baths, cold stores and freezers. The unit is called EERG and is available for surface mounting with flying leads for external connection or as a plug-in module with an 11-pin base.

Normally the units, two-piece three amp changeover relay operates when the thermistor temperature falls below set point, but a reverse action can be supplied.

Housed in a moulded case, the flying lead connection model measures 2.75 x 1.4 x 2.2 inches. Operation is in the mains. More from Cordwells Street, Maidenhead, Berks. SL6 7BQ (0628 32323).

a by-pass operation utilising the vibrating tube principle, giving rise to only a minimum disturbance of flow conditions.

Other versions available include one with a four ply stainless steel bellows for use with various process liquids at high pressure, and a hygienic version with a polished bore sensor and smooth rubber liners inside the bellows to ensure cleanliness.

The transmitters can be supplied with a density span of 50 to 200 kg/cubic metre for density values in the range 500 to 1800 kg/cubic metre. They are mains energised, completely self-contained and give an electrical output compatible with a wide range of process control equipment.

Indicates sewing qualities

Whether or not a fabric is likely to be damaged during sewing is closely linked to its frictional condition and this in turn can be assessed by monitoring the vibrations of the sewing machine needle.

A small device that will do this has been developed by Hatra, the research centre for knitting, dyeing and making up of knitted textiles, and is manufactured under licence by James H. Neal, Basingstoke, Hants RG24 4AW (025633024).

The device makes no contact with the sewing machine and uses an infra-red detector to sense the needle temperature as a specified seam is sewn. As the tests must be reproducible, facilities are also provided to check the needle speed. The unit is compact and portable and can be used in conjunction with any lockstitch or chainstitch machine.

A convenient scale reference is provided by the instrument for easy communication of sewing performance standards. The instrument should prove particularly useful in assessing new fabrics and finishes before large scale use. More on 0422 66355.

Versatile filter

ACCORDING to OMB Electronics, Riverside, Eynsford, Kent (0222 863567) an almost ideal resonant circuit can be simulated with its filter oscillator 631.

It can be switched to accept or reject any frequency from 0.1Hz to 100 kHz and optionally the range may be extended down to 0.01Hz. A continuously variable "Q" factor from 0.5 to over 300 is built into the instrument in accept mode, while in reject mode a 90 dB "notch" can be achieved.

A switched function control enables the instrument to be changed into a reject, reject low pass, high pass, or oscillate modes. The instrument is DC connected in all the modes, eliminating unwanted phase shifts at very low frequencies and enabling the instrument to be used with a digital voltmeter or chart recorder to eliminate interfering signals.

The company states that these achievements in the instrument have been achieved by using a "new transfer function" so that the high performance has not meant an extortionate price (£95).

Switch in a tiny can

MADE BY Chicago Switch in the U.S. and available in the U.K. from Roxburgh Electronics is a sub-miniature rotary switch sealed into an industry standard TO-5 can.

Useful for pre-set and programmed applications, direct mounting on to printed circuit boards, the unit measures only 0.31 inches diameter by 0.26 inches high. For panel mounted applications a thumbwheel is available. The rotary portion moves through 360 degrees in detented steps of 45 degrees, yielding from two to eight positions.

Nominally rated at 0.5A, 125V AC, the switch contacts are able to handle up to 3A. They are of gold-plated brass and are integrated with the package pins which are themselves protected by a glass-to-metal seal in the base of the can.

Alternative contact materials of silver or silver alloys are available for operation at higher power levels. Price is likely to be in the region of £1.50 in 100 lots. More from 22 Winchelsea Road, Rye, Sussex (07973 3777).

METALWORKING

Raising production of castings

A £12m. development plan for its Southport plant has been announced by Firth Brown Castings.

In the first stage, a 6 tonne capacity melting unit will be added to the existing high frequency melting plant together with a 10 tonne capacity shot blast unit for the primary fettling of castings. A direct reading spectrophotometer to provide rapid metallurgical analysis is also to be installed.

In subsequent stages a 10 ft. knock-out table with sand handling, storage and preparation plant is to be provided together with new sand processing units and sand processing and moulding systems.

Main objectives of the scheme are to increase output tonnage by 50 per cent and widen the product range. Castings now produced range from 5 kg to 7 tonnes.

Firth Brown Castings, a member of the steel Division of Johnson and Firth Brown, specialises in steel and alloy iron components.

from three causes: magnetic oxide redeposition on the disc surface, which upsets the flying characteristics of the heads; and non-concentric data tracks (mainly where there are more than 100/lin) traceable usually to damage in the hub assembly.

Library to go on line

HATFIELD Polytechnic Library will soon be operating an on-line issue system using SB Electronic Systems' Teleson unit and associated microprocessors.

A 32k store unit has been ordered for commissioning early next year and it is intended to implement the system for a limited range of books and then build up in stages as the book stock is labelled.

The SB Teleson reads bar-code labels quickly and these are prepared on a Diablo RY-type printer which can also be computer driven. Accession numbers and reader codes are held in a semi-conductor memory controlled by an 8080 microprocessor and a variety of coded instructions can be programmed to allow for different types of borrower and loan periods.

Information held in the store is also recorded on cassette, giving a fail-safe facility. The system includes a stand-by unit which, unless required directly on-line is able to retrieve data for batch processing to produce overdue notices and management information. The library is at Hatfield 68100.

COMPUTERS

Help when the disc 'crashes'

COMPUTER installation managers, suffering from disc "crashes", will be able to get help from a round-the-clock magnetic media maintenance service set up by Standard Listing, 78 Park Street, Croydon, Surrey (01 684 3962).

Head crashes, says the company, frequently mean that all discs become suspect so that no packs can be used until they have been inspected and cleaned. It claims that "panic then ensues in the installation when all processing is halted while trying to find someone to test the disc packs."

The new service will, it is claimed, respond to a call in most instances within an hour. Using special inspection and cleaning equipment the company would expect to get sufficient discs running within an hour of arrival.

Most crashes apparently result

Equipment for the toolmaker

A HIGH precision toolroom milling machine made by Aeterna S.A. of Switzerland, is being marketed in the U.K. by Adam Machine Engineering of Luton Road, Harpenden, Herts (0582 62423).

The machine is especially intended for mould-makers and tool-makers. It has a 350 by 900 decelerator unit which in turn drives a 1000 rpm motor. Horizontal table feed under flow in the system, the sensing power is 500 mm, but by using head signals can be used to supplementary movement of the vee slide, it may be increased to 800 mm.

Power feed is infinitely variable between 10 and 600 mm/min. for all three movements. This conveying equipment is horizontal table, vertical table being manufactured by EDI and horizontal table, cross traverse of the vertical milling force Hamlet, Ipswich, Suffolk headstock is 325 mm.

HANDLING

Keeps the components moving

TRANSFER OF components from one stage of production in the next could be speeded by an electronically controlled pneumatic conveying system devised by a company in Ipswich.

The system will handle components with diameters ranging from 9.5 to 75mm and weighing up to about 1kg and they are driven through a nylon or polythene pipeline by compressed air at a maximum frequency of one per second.

Each end of the pipeline passes through an electronic sensing head which detects the entry of the component and its approach at the delivery point. A signal is then transmitted to a control unit which in turn activates the air control valve keeping the consumption of air used in the system to a minimum. Where necessary, a decelerator is fitted at the destination point which in turn activates the air control valve keeping the consumption of air used in the system to a minimum.

Apart from controlling the air flow in the system, the sensing head signals can be used to supplementary movement of the vee slide, it may be increased to 800 mm.

Power feed is infinitely variable between 10 and 600 mm/min. for all three movements. This conveying equipment is horizontal table, vertical table being manufactured by EDI and horizontal table, cross traverse of the vertical milling force Hamlet, Ipswich, Suffolk headstock is 325 mm.

DESIGN AID

for fluid networks

ANALOGUE network simulators for use by water distribution engineers, mine ventilation designers and others concerned with flow in networks have been announced by Network Analysts, P.O. Box 2, Didcot, Berks. OX11 9NA (023551 5477).

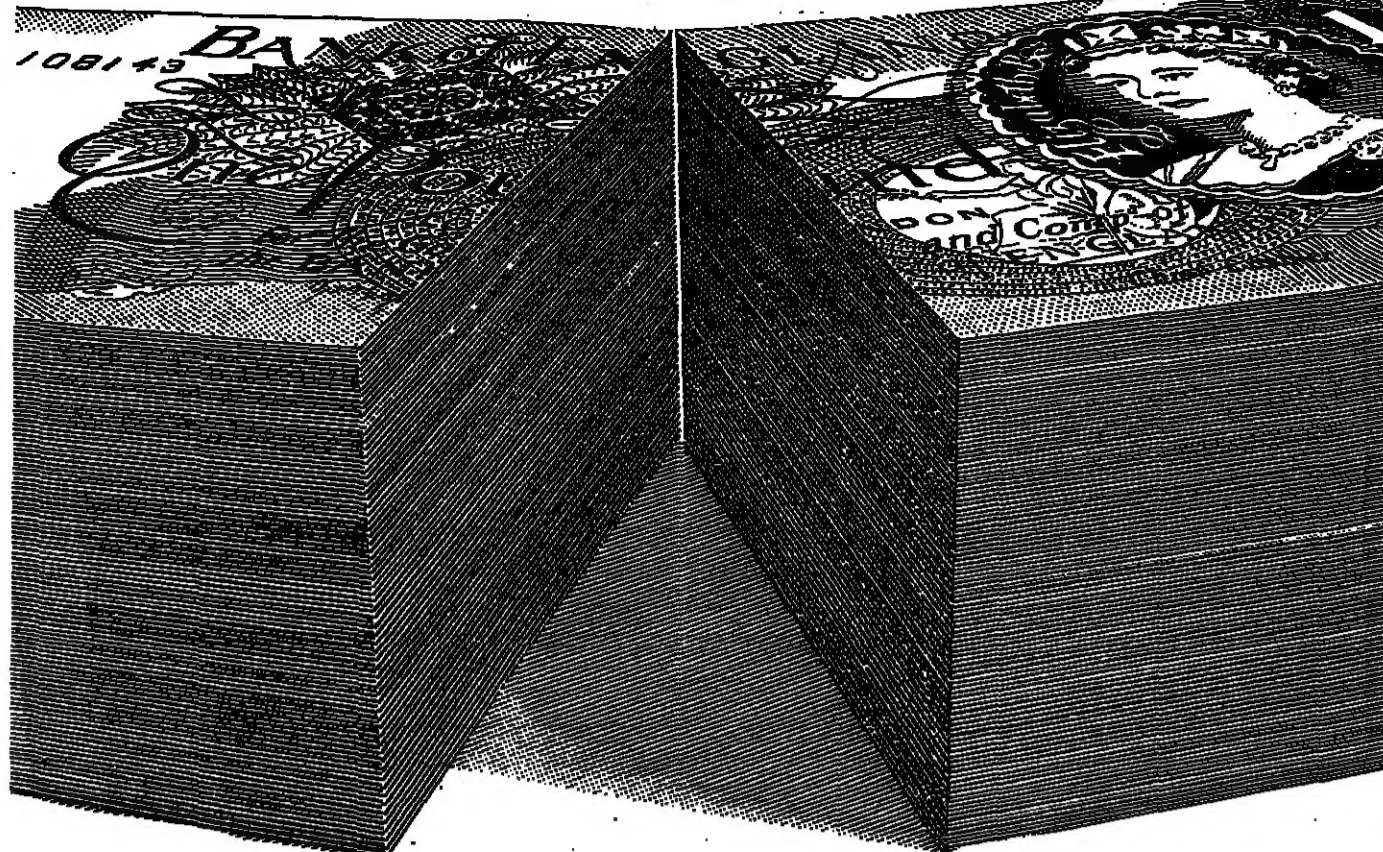
Apart from routine studies of flow, the instrument can be used to simulate future modifications or expansions to the network when major projects are under consideration. The company claims that the simulator can repay its cost in a very short time by consequent savings in engineering costs.

COST EFFECTIVE PRODUCTION

Rivet setting, automatic parts feeding and assembly, net weighing machines—all make an essential contribution to efficient production. For this cost saving equipment, wise executives turn to one source of supply—the members of the BE Group. Are you keeping pace in these competitive times?

Send today for The Guide to the BE Group

Group Head Office: Birmingham Engineering Ltd., P.O. Box 2, Mancroft Road, Aylesbury, Bucks. HP21 9AB. Tel: Aylesbury (0295) 9111/Telex: 83200.



New idea? NRDC can halve the development cost.

If your Company has a viable new technical idea, now's the time to develop it, ready to take full advantage of the national recovery as it arrives. NRDC can shoulder half the cost and take half the risk. You will keep full control of the project and you won't have to pay a penny for the money until sales revenue is generated. Contact NRDC now. Write to the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL. Better still, ring Brian Mann on 01-828 3400.

NRDC For the finance a good idea deserves.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

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FOR SALE

Land bank approximately 320 plots in the Yorkshire area. All with detailed planning consent with token development just started on all sites.

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State of Arkansas

European Office of the Governor

Avenue Louise, 437B

B-1050 Brussels, Belgium

For information on plant location and trade opportunities, contact: Robert Adcock or Thorliff Strigel, European Representatives, Tel: (21) 649 60 24

SMALL PRIVATE COMPANY

with fresh ideas in Devon producing a new self-selling product essential to a retail trading world wide leisure activity. It is too under-capitalized and under-managed to take full advantage of the demand which the product has generated. 75% of output is exported and no effective competition is known in Europe or North America. The foreign chairman would be interested in discussing participation or amalgamation with individuals or organizations who will appreciate the uniqueness and profitability of the product. The company's growth. Confidential. Write to: Box E.8362, Financial Times, 10, Cannon Street, EC4P 4BY

LIMITED COMPANIES

FORMED BY EXPERTS

FOR £72

READY MADE £80

COMPANY SEARCHES

EXPRESS CO. REGISTRATION LTD., 10, City Road, E.C.1. 01-428 5434/57361/9936

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will accept DIRECTORSHIPS

Write Box E.8348, Financial Times, 10, Cannon Street, EC4P 4BY.

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SPECIALISING IN International Marketing of Engineering Products and Technology

has opening for an Engineer/Director with broadly based experience. Financial participation would be required but amount secondary to experience and capability. Reply Managing Director, Box E.8315, Financial Times, 10, Cannon Street, EC4P 4BY.

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In Mayfair wish to acquire a small general Brokerage, preferably with some life portfolio. Enquiries invited from firms with a general business premium income in excess of £50,000. Reply giving full details to: Box E.8364, Financial Times, 10, Cannon Street, EC4P 4BY.

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British Export Group providing full export services to Middle East and West Africa offers representation by resident British sales staff operating from its Cairo office. Full details on enquiry to: METAP GROUP, 39, Prospect St., Caversham, Reading, Tel: (0734) 478922 or Telex: 848446.

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for many years of businesses in various industries. New tasks to help business, management accounting or costing problems, etc. Down to earth direct approach. Rate £5 per hour. Manchester area. Please reply Box E.8370, Financial Times, 10, Cannon Street, EC4P 4BY.

PROFITABLE N.W. COMPANY

Requires purchase or participation in Manufacturing Concern preferably with management—up to £150,000 available. Reply: HERRING, TRAVIS & CO., 32 Kennedy Street, Manchester M2 4ER.

TOOLMAKING BUSINESS

Required to purchase, employing approx. 50 personnel, preferably in West London area, for the manufacture of jigs, tools, fixtures and special purpose machines.

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EXCELLENT RESIDENTIAL DEVELOPMENT

Partner required with £50,000 available over a period to complete financial and legal aspects. Active participation welcomed with view to future expansion but not essential. Write Box E.8372, Financial Times, 10, Cannon Street, EC4P 4BY.

10 TOM TOLP—highest British quality

wrapped in clear plastic at clearance prices. Toilet bags or 500 Bags size 5 or 6. Tel: 01-253 5555. Wholesome Products, 021-253 5555.

An opportunity arises for a private individual to make a rewarding investment in the

LEISURE INDUSTRY IN THE SOUTH WEST

He will be able to enjoy his investment whilst obtaining a good net return on his investment with potential capital gain and full security. Amount required £150,000. Principles only.

Write Box E.8329, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED TAX LOSSES

Property Company wants to purchase property dealing company with established losses of over £10,000.

Apply: BERNARD THORPE & PARTNERS, 1 Queen's Circus, Cheltenham, Glos. Tel: Cheltenham 39202.

A VERY SMALL INTERNATIONAL ELECTRONICS GROUP

WITH INSUFFICIENT MANUFACTURING CAPACITY IN U.K./FRANCE

wishes to purchase a small electronics manufacturer or sheet metal engineering company with turnover up to £150,000. Profitability not important. CASTLE ASSOCIATES, Scarborough, England. Tel: 0723 66348.

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£100,000 CAPITAL REQUIRED

for expansion of successful business.

Write Box E.8361, Financial Times, 10, Cannon Street, EC4P 4BY.

PLASTICS FOR SALE

A range of 32 plastic household products together with their associated injection moulds are being offered for sale. The range known as PLAZWAVE has not been marketed since 1973 when sales were £150,000. Please reply for further details to: DOUGLAS PLASTICS LIMITED, Douglas, Lancashire or telephone Ancoyngrey 236

MEDIUM SIZED COUNTRY BROKING FIRM

with good Client and Institutional connections, looking for Merger with another Country or small London Firm. Replies in confidence to Box E.8369, Financial Times, 10, Cannon Street, EC4P 4BY.

REALISTIC PRICE

Property Development Company for sale. Income of £35,000 p.a. from 4 commercial properties, plus agreed tax loss. Write Box E.8373, Financial Times, 10, Cannon Street, EC4P 4BY.

PRODUCTION CAPACITY

MACHINING CAPACITY available up to 2 1/2 ft. diam. Maximum weight 10 tons. NJ Ltd, Stockport, Tel: 061-480 2955.

NEWSLETTER

from
London & Continental Bankers Ltd. and its Shareholders

CENTRALE RABOBANK, THE NETHERLANDS
S.G. WARBURG & CO. LTD., GREAT BRITAIN
CERA - CENTRALE RAIFFEISENKAS, BELGIUM
CAISSE NATIONALE DE CRÉDIT AGRICOLE, FRANCE
BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL, FRANCE



FÖRENINGSBANKERNAS BANK, SWEDEN
OSUUSPANKKIN KESKUSPANKKI OY, FINLAND
ANDELSBANKEN A/S DANEBANK, DENMARK
DEUTSCHE GENOSSENSCHAFTSBANK GERMANY
GENOSSENSCHAFTLICHE ZENTRALBANK AG, AUSTRIA
BANCA NAZIONALE DELL' AGRICOLTURA, ITALY



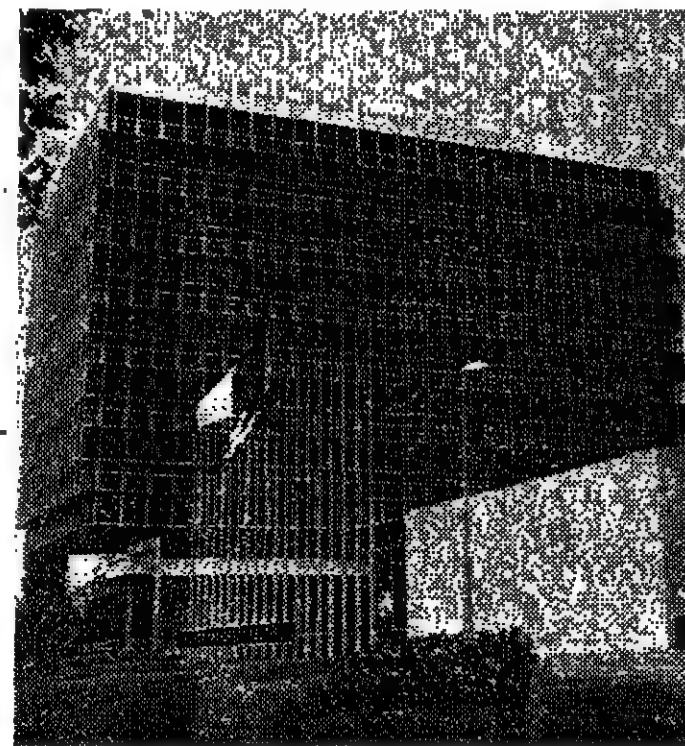
action in Copenhagen, one of the biggest in the world visited by more than 1,000 buyers

40,000 Offices Throughout Europe Give Full Market Access

Shareholders of London & Continental Bankers Ltd. Provide Broad Domestic Strength

Frankfurt, July 1978 (CBGMBS). — The shareholders of London & Continental Bankers Ltd., with the exception of founder member, S.G. Warburg & Co. Ltd., are in the main the Central Banks of Europe's major cooperative groups. Each and every shareholder has demonstrated the success of cooperative banking in his own country and in recent years, major emphasis has been put on international developments. In addition to the formation of London & Continental Bankers Ltd. in 1973, the shareholders, again under the leadership of DG BANK, founded in 1975 a merchant bank in Zurich, Switzerland, together with the Swiss Volksbank. This new bank trades under the name of Bank Europäischer Genossenschaftsbanken.

It is an additional link in the rapidly expanding international network of LCB's shareholders and other cooperative partners.



Head office of Banque Fédérative du Crédit Mutuel in Strasbourg

50 Years of Successful Banking

Andelsbanken, Denmark's Fourth Largest Commercial Bank

largest, July, 1978. — Andelsbanken, a Danish bank, maintains a wide branch network in the whole of Denmark. There are 237 service points in all. With around 100,000 shareholders and over 100,000 clients, Andelsbanken has over the years continuously strengthened its position as one of Denmark's major exporters of capital. The bank's major export enterprises are closely linked to the bank's many active shareholders. A/S Danesbank, the bank's principal export enterprise, has grown since the end of World War II to become one of the

world's biggest for auctions in Copenhagen, which is visited by more than one thousand buyers from all over the world every year. In 1974/75, 6.8 million shares were sold at a total price of about 700 million DKK. In 1975, Andelsbanken A/S Danesbank launched a nationwide campaign for savings to mark the bank's 50th anniversary. The results were excellent and benefited the deposits 33%. New legislation forced Andelsbanken A/S Danesbank to stop its old tradition of selling new shares at par over the counter to any subscriber. Thus future increases in capital are offered to existing shareholders only in the form of rights issues. The problem of adequate pricing was solved by introducing the shares to the Copenhagen stock exchange. The reception was good and the shares have since then performed very well. A 12% dividend was paid for 1975 which included a 2% anniversary bonus. To contribute to the development of Danish trade and industry Andelsbanken A/S Danesbank created a foundation of 3 million DKK on the occasion of its 50th anniversary. The amount is mainly intended to support young business people in their endeavours to acquire additional knowledge and experience abroad.

At the end of April 1978, Mr. Kristian Moeller, Chief General Manager, retired after having served 19 years as Managing Director. He was succeeded by Dr. P. Nyboe Andersen, former Minister of Commerce and Economic Affairs. The bank is raising 75 million DKK by way of one-for-three rights issue at 105 DKK for 100 DKK share in September. Thus the share capital will be 300 million DKK. At present, the shares are quoted 145 DKK at the Copenhagen stock exchange.

Commercial Private Banking
from the North of Italy to the Mezzogiorno

Banca Nazionale dell'Agricoltura

Rome, July 1978 (CBGMBS). — Banca Nazionale dell'Agricoltura, BNA for short, traces its origin to the Italian cooperative movement which still retains an interest in the bank. Although originally set up to assist the Italian agriculture, the bank has expanded its services to industry and trade from the small and medium-sized firms to the major national and international corporations. In 1975, the bank pursued a policy of support, especially of small and medium-sized businesses. The above emerged from the annual general meeting in Rome. Commercial enterprises received 91.4% of the bank's ordinary loans. Small and medium-sized businesses were granted 65% of the bank's financing. The largest share of funds available (73%) originated from this section of the community. These policies and the positive results obtained were reviewed by the Chairman, Mr. G. Ennio Barilla, who also stated that

the operation of the bank had grown in importance. Total deposits amounted to 3,635,000 million Liras (+28.6%) and ordinary loans to customers rose to 2,001,000 million Liras (+25.8%). The net profit for the year was 6,510,598,013 Liras (+47.3%). The bank has just completed the last increase of the share capital from 8,000 to 16,000 million Liras. Total capital funds now amount to 47,880,432,000 Liras. The shareholders also approved the resolution for a new increase in the share

capital from 16,000 to 24,000 million Liras through the issue of new shares of 500 Liras, 50% free and 50% at nominal price. These increases in the share capital, in short succession, were received with great interest by the shareholders, also because of the high percentage of free issues. The board's intention was for these capital increases to improve the total capital funds/deposits ratio. As a result of the customers' trust in the bank, ordinary deposits increased by 57.7% in the last

Leader of the French Crédit Mutuel Organization

Banque Fédérative du Crédit Mutuel with 1,100 Banks in the Alsace, Lorraine and Franche-Comté Regions

Strasbourg, July 1978 (CBGMBS). — As a result of new legislation, the dominant position of BFCM has been strengthened even further. The bank is now entitled to accept savings deposits on the same basis as the country's Savings Banks. In addition, as far as its loan portfolio is concerned, its traditional role in financing major public projects has been put within a broadly based legal framework. This opens up new and vast opportunities for the bank and enhances its local and national leadership. The bank's historical involvement in the industrial development of its region makes it an ideal partner for international clients seeking to expand their foreign activities.

The Crédit Mutuel de France in general, and the Crédit Mutuel de l'Alsace, Lorraine and Franche-Comté in particular, have developed quickly in the last few years. With FF 26.3 billion deposits, Crédit Mutuel is now number 6 on a national level and the Crédit Mutuel de l'Alsace, Lorraine and Franche-Comté number 9 with about FF 10.3 billion deposits collected in the 19 "départements" of Eastern France.

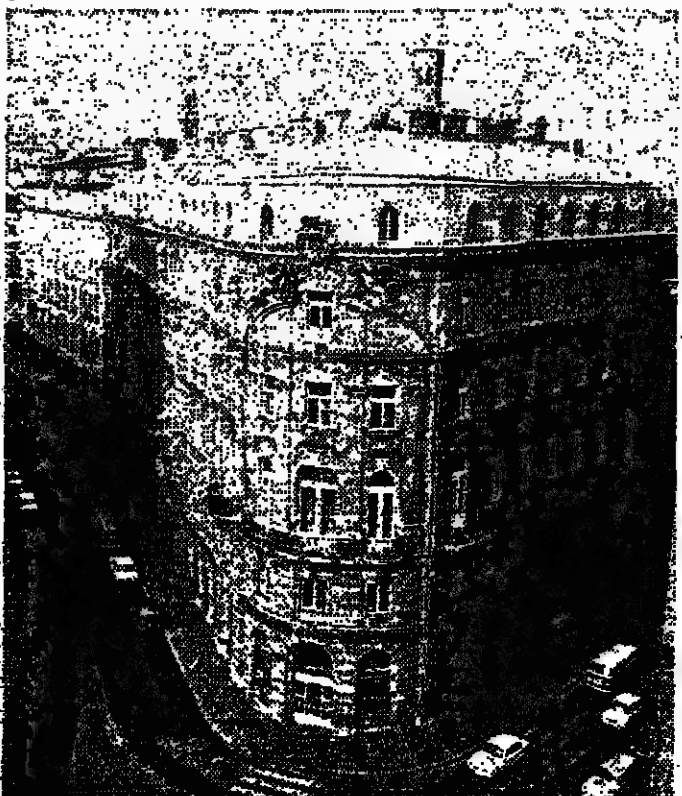
On the local level, this organization, which is 90 years old, groups more than 1,100 savings banks, called "Caisse Mutuelle de Dépôts et de Prêts" (C.M.D.P.), affiliated with the Fédération du Crédit Mutuel d'Alsace, de Lorraine et de Franche-Comté and its central bank, the Banque Fédérative du Crédit Mutuel, which both have their head offices in Strasbourg. Crédit Mutuel has the densest banking network in Eastern France.

The central financial institution of the group, BFCM, a limited company whose shareholders are the C.M.D.P., with branches in Belfort, Besançon, Mulhouse, Colmar, Sélestat, Strasbourg City Centre, Haguenau, Sarreguemines, and Sarrebourg, is a registered and fully authorized bank with a capital of FF 40 million and balance sheet total in excess of FF 5.5 billion. BFCM's prime function is to manage liquidity of the C.M.D.P. and to service any clients of its region. Being represented everywhere in Eastern France, the bank has greatly contributed to the growth of the regional economy. In addition, its business contacts with other European cooperative banks have developed very substantially. Whereas C.M.D.P. act locally,

IB - Austria's Second largest Lender to the Country's Important Tourist Industry

July 1978 (CBGMBS). — IB, the central bank of Austria, acts as the central bank of the Austrian credit organization. It includes some 1,400 credit institutions with 500 branches approximately 12 members and 20% of deposits in Austria. IB is the second largest to the country's vital industry. In financing the tourist sector, the organization is third place. In 1975, its business relations became stronger.

The bank is also a partner in numerous foreign and international credit institutions, among them the Vienna International Bank for Foreign Trade (IBA) active in East-West Trade and BHF-BANK-IG International S.A. in Luxembourg.



Headquarters of Genossenschaftliche Zentralbank AG (GZB) in Vienna

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Graham Lord, *Sunday Express*

£3.95

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£3.95

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'Fascinating slices of Americana... Good value from Mr. Lewis.'

The Scotsman

£3.95

Michael Joseph

Exit Nero

BY C. P. SNOW

A Family Affair by Rex Stout.

Collins, £2.95. 190 pages.

The Discretion of Dominick Ayres

by Matthew Vaughan. Secker

and Warburg, £3.90. 243 pages.

Rex Stout died a few

months ago, getting on for

ninety. He will be much missed.

He was one of the very best of

contemporary writers of detective

stories, which are not to be

confused with thrillers. In addition

he was not only a clever,

but an extremely able and public

spirited man. For years he

presided over the Writers' Guild

in America, which is roughly the

equivalent of our Society of

Authors, but much larger. This

was a labour of pure duty. Stout

himself had made a great deal

of money from books, and felt

impelled to do what he could

for other writers. As well as

having literary gifts, he had a

masterly command of literary

business. A lot of people owe

something to his public (and

private) benevolence.

The Nero Wolfe—Archie

Goodwin stories have made their

impact for a long time now, and

A Family Affair, written in ex-

treme old age, is both standard

Wolfe and rather more than up

to standard. Stout had all the

equipment of a high class

modern detective story writer,

but it is a little hard to specify

which quality gave him his sin-

gular distinction. His plots were

ingenious enough, but not so in-

genious as Agatha Christie's, and

he didn't possess her mastery

of the psychological three card

trick. He had none of Dorothy

Sayers's passionate romantic im-

pulse. He was witty and highly

intelligent, but so have been

nearly all the masters of the

detective story.

Perhaps the real secret is his

light in his ambience. Wolfe

and Archie are pretty good

scaled down equivalents of

Holmes and Watson, sketched in

similar bold outlines. Archie

with his blend of insouciance

and suppressed hero worship, is

one of the best of first person nar-

rators. But it is the ambience or

atmosphere of the brownstone

house on West 35th Street that

helps Stout to capture us.

It has been said often enough

that in the atmosphere of Baker

Street rests the final magic of

Sherlock Holmes. That is prob-

ably true, but surprisingly few

writers—though nearly all of

their predecessors—have im-

mersed us in an atmosphere of

their own Agatha Christie who

could do most things, never

made such an attempt with

Poirot. With Miss Marple she

did give an impression of

vicarage and village green and

cosy teas. The prevailing atmo-

sphere of Baker Street is far

deeper than that Dorothy Sayers

knew it and tried herself, but

her imagination was not tied

firmly enough to fact. Stout's

was, and for density of atmo-

sphere West 35th seems to me the

next best thing to Baker Street.

It would have been pleasant

to be asked to Baker Street for

one of Holmes's celebratory sup-

pers, sent in from Fortnum's.

The detailed, the sustained

reality of West 35th is just as

inescapable; but it wouldn't have

been so pleasant to be asked

there, at least not for me. I

don't like orchids. I should

detest the cooking of Fritz,

which sounds like the most pre-

tentious of elaborate foreign

pastiches of French cuisine. I

in the 19th-century. Now he has

written a detective story

embedded in the same period,

together with historical back-

ground, character atmosphere and

realism. It is all as totally

realised as the houses in great

novels. It is the chief

reason, I fancy, why we don't

forget Wolfe and Archie. Aspir-

ing detective story writers might

Men and machismo

BY T. C. WORSLEY

The Orion Line by Nicholas

Luard, Secker, and Warburg,

£3.90. 217 pages.

The Chinese Babbitt by Stephen

Becker, Chatto and Windus,

£3.50. 320 pages.

For the next half-century if you

can find some booky shade and

give yourself a couple of hours

and if you want some light read-

ing to fill them with, I can

recommend either of these two

nicely contrasted thrillers.

Nicholas Luard's *The Orion*

Line is a conventional but in-

genious and well-written Secret

Service yarn. Things are as you

would expect. "Home" is an

old-fashioned block of flats in

central London, in a side street.

The head of it is a pleasant

soft-mannered, steel-hearted

Wykehamite, or perhaps a

Salopian: his side kick is an

abrasive, scruffy goodness-knows

who all the same knows his stuff.

At the French desk for the

last five years (ever since he was

brought in "after that very

naughty Algerian business in which

he was lucky to escape) was the

Gareth Owen—Gareth Owen, the

boy wonder of the Welsh mining

village where he was born, a

would surely have played for

Wales in due course if the

Llanelli forwards hadn't de-

liberately and of malice made

sure that his damaged fragments

would put him out of the game.

But there was still the First on

a scholarship to Oxford, the

modern languages, the Foreign

Office.

Gareth had evidently been a

top agent, for in spite of the

rule that a man once "brought

in" was never sent out again,

sending him out is what is now

proposed in the face of the

astonishing reactivation of the

Orion Line. The Orion Line?

Why that was over 30 years ago

during the War, the chain of

safe houses established from

the Belgian coast to the

Pyrenees, down which hundreds

of allied pilots had made their

escape to freedom. It was the

indomitable Comtesse de Sour-

raines who had perfected the

route, and when at last some

character of the house, "the

Gestapo, she like many others

was tortured to death."

But what had all this got to do

with now? Yet it seemed to

Two separate semi-retired agents

taking their holidays by cruise

along the line for nostalgia's

sake, had been found murdered

halfway along. Coincidence?

Possibly, but the department had

some information which pointed

another way. There existed a

White list of the main French

collaborators with the Germans:

it was the name of the man

who had, informed to the

Gestapo. He evidently thought

that his holiday was over and

was not stopping to murder 30

pro-protect his anonymity.

So Gareth sets out to track

him down, and a fine flurry of a

pursuit ensues. There are mug-

gins and traps, and an ingenious

variation on the obligatory car

chase. The tale is brisk, puzzling

and exciting, and it is well

written except for the love affair

between Gareth and the haughty

laughter of the Comtesse de

Sourraines, which is execrable.

But it is the only blot and for

All human death is here

BY DEBORAH PICKERING

Not Comin' Home to You by

Paul Kavanagh, Hodder and

Stoughton, £3.50. 214 pages.

Rat Trap by Craig Thomas.

Michael Joseph, £3.50. 275

pages.

The Junketeers by I. G. Brost.

Barrie and Jenkins, £3.75. 319

pages.

The Man from Yesterday by

George Markstein, Souvenir

Press, £3.50. 285 pages.

Bella by Jilly Cooper, Arlington

Books, £2.75. 202 pages.

The Mittenwald Syndicate by

Frederick Nolan, Cassell,

£3.95. 347 pages.

"Blood!" is the cry from

crime addicts and always

relates the "based on an actual

incident" creative account and

occupies pages splattered with

sanguine fodder, a thumb-nail

bite to the black and grey

officially released newspaper

pictures. Paul Kavanagh's *Not**Comin' Home to You* is, how-

ever, an epitome of Bonnie and

Clyde story in America in the

1930s. Jimmie John Hall is a

young drop-out with a difference

— he has a fetish for clean-

liness and because he looks so

respectable he has no problem

in hitting rides. He has no

difficulty in procuring a mate—

a 15-year-old Bonnie whose

family Jimmie subsequently

slaughters.

Reading like the sight and

sound of a sun-washed movie,

the story takes in the brutal

murder of 14 people, italicised

peeps at others' impressions of

the two young killers, nothing-

spared scenes of horror and

madness to the last-page reckon-

ing, yet shoots us out of any

understanding of the anti-hero.

Rat Trap, a first novel from

Teacher, a rugby correspondent

Craig Thomas, is uncomfortably

topical. A tense hijack tale

where the price of 72 passengers

flight crew and aircraft worth

millions is the release of an

Arab terrorist from an English

jail and guarantee of a safe pas-

sage to the Lebanon. Suff upper-

lip Home Office, kisses, drug-

crazed helter and bomb-waving

poor-little-girl-but, heart-

stopping at Heathrow and

chase through the Cotswolds via

through a plethora of technical

aircraft terms, which I found to

be the writer's nasty, secret

weapon.

men who operate those

exclusive gambling spread-

champagne-filled jet-loads of

international punters, flitting

from Las Vegas to New York

London and Florida, are, I

disagree, called *Junketeers*.I. G. Brost's *The Junketeers* is a

lively, lusty analysis of two such

operators. Semi-literate Harry

Samson, with congenial Mike

Grover, Harry's life-long

narcissistic sidekick, make the

action with their generators

tyroons and tin-hearted tarts.

Sexy, searing and a ruthless strip

tease of jet-set jumborees.

Whose side is anybody on?

Robert Kell, an American in

Mayfair, nose-dives between the

CIA (his employers), Scotland

Yard sinisters and upper-class

country house scorpions. George

Markstein's *The Men* from

LABOUR NEWS

Bank employees union oures staff from its rivals

CHRISTIAN TYLER, LABOUR STAFF

ATIONAL Union of Bank employees is again trying to oure staff from its rivals. The union is now that merger talks now that paign to challenge their istance as unions appears failed.

has written to the Bank staff association few weeks ago was given istance of independence the Employment Protection Act despite NUBE's claim was subsidised and there- t independent of manage-

associations at Barclays e National Westminster ay to win certificates. NUBE will be making ne overtures to them, the failure of previous and collective efforts p a joint banking and union.

John Beasley, head of

courses for young art in autumn

MICHAEL DIXON, EDUCATION CORRESPONDENT

OF testing courses to further education courses, and 15-year-olds for working the young workers should be e finally been dashed by ument of Education and the Government co- approach. The Government co- yesterday that the test about five of which may be Boards and further education y for youngsters already d.

lanpower Services Com- an offshoot of the ent of Employment — courses to be run in particularly for the many emic pupils who, before pulatory school age was o 16, would have been o leave at 15.

have been many com- that such youngsters, y the present curricula, be a disruptive influence is.

Department of Educa- ly deflected its territory any further invasion by up to watch over the curricula ining Services Agency, has already gained a and help to develop new educa- tional approaches in the light of the pilot schemes. The first five ea of staging the courses of these are likely to be in the is was also opposed by distributive trades; food, drink 2, whose policy is that and tobacco; construction; re should be obliged to chemists; and rubber and young workers for plastics.

Expelled engineers win JEJW reinstatement

UR LABOUR STAFF

ENGINEERING workers meeting addressed by Mr. Dagnall on a rain-swept car park the next day. The tribunal could not accept that the car park meeting was representative of the 600 workers in the factory.

In his evidence Mr. Dagnall said that 350 people were present. We consider the figure was no more than 120. Despite an overwhelming vote for strike action at the car park meeting, the strike "never got under way."

From the beginning at least half the men at Eaton's stayed at work. It therefore became necessary to create a liaison committee for the men who remained in the factory.

This is the committee joined by these four men. We find no evidence that they negotiated with management or acted against the interest of their union in any way.

The case was brought under Section 5 of the 1974 Trade Union and Labour Relations Act which stipulates that every worker shall have the right not to be excluded or expelled from union membership by way of "arbitrary or unreasonable discrimination."

nsport Workers' union nbership is down

R LABOUR STAFF

S biggest union, the and General Workers, a net loss of members — a reverse the union uniquely difficult economic n the economic rees- consequent closures, ices and unemploy- ship dropped 1,143 to according to the most report, published

nalists plan to boycott IPC

ional Union of Jour- ounced last night that ructed all its members g to IPC publications ing so from 9 a.m. on nd members employed cease using all con- material from the same to a dispute over free-

the emergency com- the NUJ's National Council that re- the industrial action i suspended on June w the dispute to go isory Conciliation and 1 Service (ACAS). pute originally arose the NUJ regarded as ate final offer on its a 20 per cent, im- in fees for contri- torial to compensate, nital cost increases- y in postage and ives faced by NUJ in the last 12 months, conciliation, procedure

Wage pacts give low-paid £2.50

By Christian Tyler, Labour Staff

THE FIRST wage agreements under the next stage of pay restraint which starts in ten days' time have been signed, giving several hundred thousand low-paid workers increases of £2.50 a week.

Some 50,000 clothing workers, members of the National Union of Tailors and Garment Workers, have agreed to rises of between £2.50 and £4 from September 22 in a deal with the Clothing Manufacturers' Federation. They will be followed by the rest of the industry's 300,000 employees.

Food shops

Rises have been agreed in statutory wages councils on behalf of staff in foodshops, bakers' shops and booksellers. These staff have been given the balance of the £5 allowed at present because they settled for less before the current policy was introduced.

Similar deals are expected in four other wages councils, to make a total of £25,000 to go through under the £2.50-to-£4 scheme for 1976-77.

The Department of Employment records show that 10.5m. people covered by major agreements have settled within the £5 policy, leaving under 1m. to go.

BETTER PRODUCTION AND FEWER DISPUTES

£100m. Leyland aid approved

FINANCIAL TIMES REPORTER

A SUMMARY of the National Enterprise Board's report on British Leyland to the Department of Industry, published yesterday, says: "Since the new company was set up last autumn BL's performance has been disappointing in certain respects, notably in the loss of market share arising from the inability to produce enough cars to meet demand, but it does show a trend of improvement in the vital areas of productivity and the reduction of industrial disputes."

This cautiously optimistic assessment, together with a detailed review of BL's Corporate Plan for 1976-1983, forms the basis for the Board's recommendation that the first tranche of £100m. of public money be made available to the company.

The report notes that in the eight months to the end of May the monthly average of man-hours lost by BL strikes was 401,575, compared with 670,459 and 979,407 respectively in the two preceding six-month periods.

The production performance of Leyland Cars has improved, while direct manufacturing manpower has been kept well below the increase in production; the improvement in productivity between October 1975 and May 1976 has been 24 per cent.

The report also notes that the Leyland group had no opportunity to increase production because of depressed demand, but manufacturing manpower was reduced by 6 per cent, giving an improvement in productivity of the same order.

The National Enterprise Board is satisfied that the programme for modernising BL's model range and production facilities will improve BL's manufactur-

ing efficiency and lead to higher standards of productivity and quality. The biggest single means of achieving these improvements is "a permanent improvement in relations between Leyland Cars management and its workforce." The report notes the good start in the participation arrangements.

A similar programme is under way on the truck and bus side, including the much-needed modernisation of many older facilities. The board "supports the strategy set out in the plan."

It also supports the strategy worked by out by Leyland International, which is "planned as a self-financing business group."

The report notes that over the period 1976-83, BL plans to

achieve total exports of nearly £180m.

On Special Products the report discloses results of a detailed investigation into the future of these businesses. The plan is to concentrate resources on commercial refrigeration, construction equipment, industrial truck and military vehicles. Some of 1976-83 will be devoted to Special Products, but the report says the group becomes self-financing early in the period and by the end it will be contributing significantly to financing of BL as a whole.

The financial implications of BL's programme are broadly envisaged in the Ryder Report. The return on capital is planned to increase to 19.1 per cent, in 1983. The requirement for additional long-term funds from external sources remains at £7bn., of which £500m. will need to be provided in 1978-79.

The report says that before the next review of the BL Corporate Plan in the summer of 1977 the company must undertake "very substantial commitments which will result in expenditure in later years, and can be funded only if further finance is available from outside sources in 1977 and 1978."

Special scrutiny must be given to the larger capital spending programmes which come up for approval before the summer of 1977.

One of the conditions of NEB approval will be that the necessary improvements in productivity associated with each programme have been discussed and accepted by the representatives of the work force."

More workers recruited as car demand rises

BRITISH LEYLAND'S U.K. VEHICLES.

Employment on the truck and bus side, had declined slightly, while in Special Products recruit acquisitions have boosted the numbers employed by about 1,000 since the start of the year.

The big reductions in Leyland International since the end of 1973 have been caused by plant closures in Spain, Australia and Italy.

The U.K.-based staff now totals about 500. The number is likely to increase slightly as Leyland International takes over certain overseas sales functions still being carried out by the manufacturing divisions.

At the end of 1973, when employment on a comparable basis was about 140,000, the weekly output was about 18,000 vehicles.

BRITISH LEYLAND'S WORLDWIDE LABOUR FORCE (rounded figures)

	Dec. 1973	Dec. 1974	Dec. 1975	May 1976
Cars	139,900	133,100	114,500	121,100
Truck and Bus	28,300	28,500	27,400	27,100
Special Products	10,300	10,400	10,900	11,900
International	22,300	26,500	26,100	18,400
Central staff	425	400	370	370
TOTAL	211,225	199,300	179,270	179,070

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GENERAL APPOINTMENTS

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We are seeking a young international banker to join our business development team.

Applicants, male or female, should be 25/30 years old with a good education followed by at least three years sound banking experience.

Willingness to travel is essential and the appointment could lead to temporary assignment abroad. Foreign languages would be an asset.

Salary will be offered commensurate with experience and fringe benefits will be those normally associated with a first class banking institution in London.

Applicants should write in complete confidence, giving full personal details to Mr. David E. Nye, Assistant Director & Secretary, London Multinational Bank Limited, 1 Union Court, Old Broad Street, London, EC2N 1EA.

Director Designate Finance and Administration

for a British group of commodity traders, brokers and agents which is part of a large international organisation.

The Director Designate will be responsible for the whole range of financial and administrative functions covering the London office as well as other smaller offices elsewhere in the UK and abroad.

Candidates, preferably aged under 45, must have a relevant professional qualification and understand the implications of commodity trading in an international context. A second European language would be an advantage.

Basic salary negotiable around £15,000 plus car and results-based bonus. Limited foreign travel.

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17 Stratton Street London W1X 6DB

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They will join a group of young and progressive colleagues there will be excellent prospects of further advancement in the organisation. Salary will be highly competitive, commensurate with age and experience but is unlikely to be less than £4,000 per annum. In addition, there are many valuable benefits normally associated with a first-class Bank in London.

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Box A.5645, Financial Times, 10, Cannon Street, EC.

PLANNER

The company, the UK subsidiary of one of the world's largest pharmaceutical groups is in a period of sustained and substantial growth, and requires a Planner to assist the management of the Pharmaceutical Division in the decision making processes.

The responsibilities include strategic planning, management controls, operational control and information handling. The appointment offers a real career opportunity to a young Business Administrator or Economics Graduate with opportunities for further development into the marketing field or elsewhere within the International Group.

Location will be at the Divisional Head Office in Feltham, Middlesex where General Management, Marketing & Sales and Medical departments are based. There is easy access to Waterloo.



(30 minutes) and to the M3 and M4. The job will entail occasional visits to the factory and administrative services in Leeds, and to Group Headquarters in Basel, Switzerland. Initially, the salary to be offered is likely to be in the region of £8,000 p.a., but interested candidates with relevant experience already earning in this region need not be inhibited from applying. Other benefits include a good pension plan, assisted BUPA membership, luncheon facilities and flexible working hours. Assistance with relocation expenses will be paid if required.

To apply, please telephone or write for an application form from: Sheila Pritchard, Sandoz Limited, Sandoz House, 98 The Centre, Feltham, Middlesex. Tel: 01-890 1366.

Applications are invited from either sex.

Merchant Banker for Australia

Hill Samuel Australia Limited, one of Australia's leading merchant banks, wish to appoint a Senior Executive to join its Corporate Services Department in Sydney. The principal responsibility will be to advise clients at a senior level on the full range of banking and investment banking activities. This will necessitate the applicant having a highly developed ability to communicate.

Applicants must have several years of experience in finance, preferably in the corporate finance department of a merchant bank and must be able to demonstrate initiative,

R. C. G. Gardner, Personnel Manager,
Hill Samuel & Co Limited
100 Wood Street, London EC2P 2AJ.

sound commercial judgement and a high degree of analytical ability. The right person will probably be 26 to 35 years of age, will be a graduate or full member of a professional society and, preferably, will have gained a post graduate qualification such as an MBA.

An attractive remuneration package will be negotiated and all reasonable removal expenses will be paid for by the Company.

Final interviews will be conducted in London by the Managing Director of Hill Samuel Australia in early August. Applicants should send full details as soon as possible to:



CAWOODS



Legal Appointment Group Secretary

This Group with a turnover of £150 million in Solid and Oil Fuel Distribution, Building and Road Materials, Refractories and Container Shipping Services, wishes to engage a qualified SOLICITOR to be the SECRETARY to the Parent Company (CAWOODS HOLDINGS LIMITED, a quoted public company) and responsible for the legal work of the Group.

The position will involve a wide variety of work of a secretarial, legal and administrative nature requiring a high standard of executive ability; a shrewd commercial application and ability to work as a member of the management team are vital requirements.

Applicants (age 28-45) should have had good experience in either the commercial side of the legal profession or legal and administrative work in industry.

The services of the Group's legal advisers of many years' standing will be retained.

This is a senior appointment with a salary according to capabilities and experience, and the usual benefits attaching to this level of appointment will apply.

Applicants with brief details to:

M. E. Fullwood, F.C.A.,
Director and Secretary,
Cawoods Holdings Limited,
Southlands, Ripon Road, Harrogate HG5 2NY.

International Sales Manager

Our client is a progressive company manufacturing quality oilfield equipment for use worldwide. They have an expanding British manufacturing plant and a thriving sales office, as well as agents in major oil producing areas of the world.

The successful person for the above position will have experience of selling oilfield equipment in the international market and must be capable of co-ordinating both international sales efforts and sales between manufacturing plants located in different countries.

An excellent salary is offered and conditions are good with the usual benefits expected from an international company.

Applications, with details of your career to date, should be made to Mr. David Harden, quoting Ref. CSG/1.

STREETS ADVERTISING LTD.

Confidential Reply Service,
1 Crane Court, Fleet Street, London EC4A 3LB

Oil Analyst

A leading London firm of Institutional Stockbrokers is seeking an additional research analyst to cover the oil sector and complement existing research expertise. Applicants should have spent at least two years in investment research or be qualified through training and experience in the oil industry. The analyst will be expected regularly to visit companies and be given considerable freedom to develop institutional business within the sector.

The salary and benefits will fully reflect the candidate's experience and potential.

Please reply, in full confidence, to Box A.5642, Financial Times, 10, Cannon Street, EC4P 4BY, or telephone Christopher Ashton-Jones of Leo Burnett Ltd. (01-336 2424), for further information.

SALES MANAGER Middle East

required for sales organisation in Dubai. Applicants should be aged between 25 and 35, with sales and travelling or exporting experience.

The successful applicant will be required to live in Dubai and preference will be given to a single person or a married man without children.

Salary by negotiation according to experience and ability. Generous fringe benefits include free furnished accommodation, free car, allowances and free air travel, etc. Contract is for one year (renewable).

Please write with full career details to:

FRANK O'SHANOHU ASSOCIATES
Pemberton House, East Harding Street,
London EC4A 3JD.

Cash Management and Banking Up to £10,000 p.a.

Our Client, a major British corporation with worldwide interests and turnover approaching £3,000 million, is making a new appointment in its Treasury Department and seeks someone with wide experience to fill this senior post.

The person appointed will be responsible for the management of the sterling banking operations and for the development of appropriate control systems. This will involve close working relationships with leading banks and financial institutions in the UK, including the London Money Market. He or she will be expected to make a significant contribution to planning the financing of the business.

The necessary experience may have been gained in industry or in the City. The preferred age range is 30-40. Candidates should have a relevant degree and/or an accounting qualification.

Everette Recruitment Service

Please write to our address for forwarding to our Client, giving full details of career progression. The reference number must be put on the envelope. Enclose separately a note of any company to which you do not wish to apply.

Ronald Fairbairn, Recruitment Manager,
(Ref 521), Everette Limited,
10 Greycoat Place, London, SW1P 1SE

INVESTMENT ADVISER

We are looking for an assistant investment adviser to join a team in London, which advises Pension Funds in such subjects as investment strategy, choice of managers, and measurement of performance.

For this position you should be between 23 and 26 and have at least two years' experience: this could be in non-specialist investment management with a merchant bank or insurance company. The starting salary depends on age and experience and will be between £3,500 and £4,500 p.a. The successful candidate will also enjoy the Group's excellent fringe benefits and opportunities for higher rewards.

To apply for an interview, phone D. J. Duncan FIA on 01-839 7411.

THE MPA GROUP,
Metropolitan Pensions Association
London Office:
28 Haymarket, London SW1Y 4SR.

Area Manager

London based International Merchant Bank is seeking an Executive to be responsible for the maintenance and further development of its corporate business, primarily in Germany and Austria.

The candidate should have knowledge of Corporate Finance and be fluent in the German language. Good salary and fringe benefits are offered.

Reply in complete confidence with curriculum vitae to B. C. W. Jonker, London & Continental Bankers Limited, 2 Throgmorton Avenue, London EC2N 2AP, or if preferred, telephone 01-638 6111.



An expanding International Bank seeks fresh University Graduates to start as Trainee Officers. This is a career opportunity for those who would like to prepare themselves for management functions in Banking and Finance. Knowledge of any one or more oriental languages such as Urdu, Hindi, Arabic or Persian would be considered as an additional qualification.

AGE: 22-28 Years
TRAINING PERIOD: 12 Months
SALARY: According to Qualifications
OTHER BENEFITS: Group Insurance, Luncheon Vouchers

The candidates should either be U.K. citizens or holders of unrestricted Work Permit for U.K. Handwritten applications along with a recent passport-size photograph, giving detailed account of their educational qualifications, experience, if any, and extra curricular activities should be sent to us not later than July 30, 1976, addressed to:

Personnel Manager,
BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A.
100 Leadenhall Street, London EC3A 3AD.

UNIT TRUST ADMINISTRATION

A progressive and expanding Unit Trust Group needs an experienced administrator. Age immaterial - enthusiasm essential. Applications to writing to:

THE CHAIRMAN, VICACOLLY UNIT TRUST MANAGEMENT LTD.,
45, London Wall, EC2M 3UA.

Account Executives

We are seeking highly professional Account Executives for our London offices to serve its international clientele.

As part of a worldwide organization, we are looking for people who are self-motivated and who are at the top of the advertising field. We need individuals who are willing and able to make a total commitment what could be a rewarding, long-term association.

Submit curriculum vitae, which will be considered in the strictest confidence, to: R. W. Robinson, 251 Street, London W1Y 8BU or by phone 01-499 08.

Merrill Lynch, Royal Securities Limited

Schlesinger PIMS

has an exceptional opportunity for a PRINCIPAL

Assistant Client Liaison Manager

The rapid development of the organisation has given rise to this position. It involves working with a small, friendly and industrious team, dealing with enquiries and investment advice for Private Clients, Banks and the Professional Advisers.

Ideal candidates will be in their twenties, educated to 'A' level, preferably with a Degree. Applicants should have investment stockbroking experience, should be numerate and have a good command of English. Knowledge of general administration and the stock industry would be helpful.

Job satisfaction and excellent career prospects together with attractive salary are the rewards offered to the right applicant.

Please write in strict confidence initially to:
D. R. Harrison, Schlesinger Trust Managers Limited,
140 South Street, London, Surrey.

Schlesingers

TREASURER ASSISTANT

MANCHESTER

TOOTAL is a large international group with a turnover of £250m., of which about £100m. relates to overseas and £40m. to exports from the U.K. The work will involve all aspects of raising finance and monitoring its use both inside and outside the business. The candidate will be responsible for routine management. Further expansion is planned which she will have ample opportunity for advancement.

The candidate will probably be in his or her late 30s and ideally should have an Accountancy qualification, Economics or similar degree, along with relevant experience in a multi-national company or bank. Those who do not meet these requirements precisely, but feel equal to it, should not be deterred from applying. An appropriate salary will be agreed and should be in line with the industry.

Please write in the first instance to:
Group Appointments Manager,

TOOTAL LIMITED

54 Oxford Street, Manchester, M60 1HA.

GENERAL APPOINTMENTS

BNOC

Opportunities for OIL FIELD SPECIALISTS

The British National Oil Corporation has been created to represent the interests of the United Kingdom in North Sea Oil and Gas. Rapid growth is anticipated in the next twelve months and beyond as a result of growing involvement in current North Sea fields and BNOC's majority interest in future exploration activities.

BNOC is a major national enterprise with capital expenditure budgeted in terms of hundreds of millions of pounds

over the next few years. We are building up our executive team at all levels in a wide range of technical and professional disciplines by a national recruitment programme.

We invite applications from experienced and qualified personnel, male or female, who feel they can contribute to the growth of this vigorous national organisation and who would welcome the opportunity to join the professional team at an early stage.

Our prime interest is in people with skills in the following areas:

Geophysicists
Geologists
Petrophysicists
Draughtsmen/Cartographers

Petroleum Engineers
Production Engineers
Offshore Structure Engineers

In each discipline, we require both supervisory and operational personnel. Proven experience in offshore operations will be essential for many of the positions and preferred for others. Above all, however, applicants must show evidence of ability and expertise. The Corporation's objectives over the next five years, and the speed with which they must be attained, demand a professional team of high calibre.

Salary and conditions of employment will be attractive and fully commensurate with the responsibilities involved. Headquarters functions will be based in Glasgow, and a technical presence will be maintained in London for direct liaison with major oil companies.

Applications will be treated in strict confidence and must include full details of:

- age, education and special qualifications
- previous experience, specifying positions held
- current position, remuneration and benefits

Please write, quoting reference TG/FT, to:
The Secretary,
British National Oil Corporation,
St. Andrew House,
1-11 West Nile Street,
Glasgow, G1 2RN.

British National Oil Corporation

COMPANY SECRETARY

Applications are invited for the position of Company Secretary to the Board of a major public company with head offices in the West End of London. The business operates exclusively in the retail sector with over 25,000 employees and sales of £300 million. The successful applicant is likely to be in his/her 40s and to have formal legal or accountancy qualifications.

He/she should have sound commercial judgment and be capable of participating at many levels in day-to-day management, and in major business negotiations. He/she must be able to give reasoned and practical advice on legal, financial and personnel matters.

Salary not less than £10,000 per annum according to qualifications, and excellent pension scheme.

Applications, which will be treated in strictest confidence, should provide full particulars and be addressed to:



The Chairman,
UDS Group Limited,
Marble Arch House,
Seymour Street,
London, W1A 2BY

WE ARE LOOKING FOR A Commercial Director for MAHE

SEYCHELLES ISLANDS

for our import-export industry.

Required languages: French and English.

Good advantages in the heart of an important industry (Switzerland-Seychelles).

Write to P.O. Box 29, MAHE, Seychelles Islands, Indian Ocean.

COTTON EXECUTIVE

£50,000 Switzerland

To head up international operations within a leading organisation engaged in the trading and quality assurance aspects of cotton and related commodities.

Please contact Peter Barnett, quoting Ref: 659, Beckwith Management Search, 84-86 Baker Street, London, W1. Tel: 01-487 5761.

ART GALLERIES

AGNEW GALLERIES, 45 Old Bond Street, W.1. Tel: 01-529 8178. JAMES MCNEILL WHISTLER, THE GRAPHIC WORK. A loan exhibition to celebrate the American Bicentennial. Until 30 July. Mon-Fri. 9.30-5.30. Thurs. until 7.

COLNAGHI, 14, Old Bond Street, W.1. Tel: 01-481 7408. Exhibitions of DUTCH, FLEMISH, DRAWINGS. 16th-19th Century. Until 27 August. Mon-Fri. 9.30-5.30. Sat. 10-1.30.

MARLBOROUGH, 8, Albemarle St., W.1. Tel: 01-481 7408. Exhibitions of ARIKHA, AUERBACH, BACON, BOTERO, CHAPMAN, GENDRON, KOKOSCHKA, MOORE, MICHELSON, NOLAN, PAULICCI, PASKOWITZ, PIPER, SUTHERLAND. Mon-Fri. 10-5.30. Sat. 10-1.30. Until 27th July.

REDFERN GALLERY, 33rd SUMMER EXHIBITION. Paintings, Drawings, Sculpture, Graphics. July-August. 20, Cork Street, London, W.1.

PERSONAL

HOME FOR THE ELDERLY

(Own Bedding Room, Hand Basin)

OPERATED BY NON-PROFIT MAKING ORGANISATION REGISTERED NURSING WING

At Dabon Park, Hampshire, 10 miles from Southampton.

Whitney Association Ltd., Forest Oaks, The Rise, Brockenhurst, Hampshire. Tel: 2424.

Visiting physiotherapist. Stay nearby as usual in a modern private study home. Tel. Birmingham 243.

CONTRACTS AND TENDERS

UNITED ARAB EMIRATES

Ministry of Electricity and Water
P.O. Box 1672, Dubai

The Ministry of Electricity and Water for the United Arab Emirates invites Tenders for the following works:— Tender No N4250 Specification No 222/846

Main Civil Works for the Federal Power Station and Desalination Plant (3 x 30 MW + 3 x 3 MGP) to be constructed at Hamriyah near Umm-Al-Quwain. The works include piling, foundations, structural steelwork and cladding to the main building; desalination plant foundation; control, workshop, office complex and other auxiliary buildings; pump-house, on shore and off shore culverts, fuel oil tanker unloading facilities including deep water unloading berth and shore arm; roads and boundary wall including road and area lighting; site services including sewage treatment plant and foundations and bunds for oil and water storage tanks.

Applications for Tender Documents should be made during normal office hours at The Ministry's offices in Dubai in the U.A.E. or at the U.A.E. Embassy in London. Only firms who have experience in similar projects should apply. Each tender fee is Dirhams 2,500 if collected in the U.A.E. or £300 sterling if collected in London payable in cash only and is not refundable. The tender documents will be in three volumes. Volume 1 (Instructions to Tenderers, Conditions of Contract, Programme and brief description of the Works) will be available for collection from 28th July 1976, to enable Tenderers to make preparations for completion of their tenders within the tender period which will not be extended. Volumes 2 and 3 (Specification, Bill of Materials and Schedules) and the Drawings will be available for collection from 4th September until 14th October, 1976.

Tenders must be valid for 90 days. Tenders must be accompanied by a bid bond in the form of an unconditional Bank Guarantee of Dh 13,000,000 (13 million) valid for 120 days. The successful tenderer will be required to replace this with a Performance Bond equal to 10 per cent of the Total Contract Sum for the period of the Contract. The Tender Documents must be complete and submitted in quadruplicate. Each copy shall be enclosed in a plain envelope not bearing any identification of the Tenderer and marked only on the outside with the Tender Number and Title "Main Civil Works". Four copies shall be addressed and delivered to:— His Excellency The Chairman, The Permanent Committee for Projects, Ministry of Planning, P.O. Box 2847, ABU DHABI, U.A.E.

Tenders must be received not later than 17.00 hours on 31st October, 1976. This advertisement is a complementary part of the Tender Document.

The Contract is programmed so that the plant Contractors shall have access to site to commence erection in the summer of 1977 to enable plant commercial service requirements to be met.

Abdulla Bin Humaid Al Qasalmi
Minister

PUBLIC NOTICES

WALLACE METROPOLITAN BOROUGH

£3,200,000 Bills issued 21st July, 1976, due 1st October, 1976. £1,000,000 of the bills were allocated to the 1976-77 financial year. Applications for the bills outstanding is £2,200,000.

COUNTY OF SOUTH GLAMORGAN

£1,100,000 Bills issued 21st July, 1976, due 1st October, 1976. £1,100,000 of the bills were allocated to the 1976-77 financial year. Applications for the bills outstanding is £1,100,000.

KIRKLEES METROPOLITAN COUNCIL

£1,100,000 Bills issued 21st July, 1976, due 1st October, 1976. £1,100,000 of the bills were allocated to the 1976-77 financial year. Applications for the bills outstanding is £1,100,000.

£1,100,000 Bills issued 21st July, 1976, due 1st October, 1976. £1,100,000 of the bills were allocated to the 1976-77 financial year. Applications for the bills outstanding is £1,100,000.

OLDHAM METROPOLITAN DISTRICT COUNCIL

£1,100,000 Bills issued 21st July, 1976, due 1st October, 1976. £1,100,000 of the bills were allocated to the 1976-77 financial year. Applications for the bills outstanding is £1,100,000.

ACCOUNTANCY APPOINTMENTS

Money Management

Two key appointments have arisen in the Financing Manager's Department at High Holborn in London. They offer high potential for enthusiastic and commercially motivated accountants or business graduates. The Department is responsible for the development of the industry's financing strategy involving the financing of major development projects both on and off shore, international and domestic funding, management of sterling loans and foreign exchange, cash management and control of working capital.

ASSISTANT MANAGER

Cash Management c.£8250

You will be responsible for the management and control of cash flow and working capital. The objectives of this post are to plan the industry's short and medium term financing requirements and to effectively control the overall cash position involving both liquidity and asset management. You should possess relevant professional qualifications and have acquired experience in the treasury function of a large public or private enterprise. Reference F/001901/

PRINCIPAL ASSISTANT

Sterling Dealing c.£7500

You will carry responsibility for the day to day operation of the industry's sterling money desk involving direct dealings with the London money market.

You must have acquired experience of dealing either in the local authority or interbank/intercompany markets and be able to communicate effectively with senior management. Reference F/032101/

Applications from men or women should be sent giving full details of age, current salary, qualifications and experience and other relevant information to the Senior Personnel Officer (London), British Gas, 59 Brynston Street, London W1A 2AZ, quoting the appropriate reference number. Closing date for applications 6th August 1976.

BRITISH GAS

Reed Executive

The leading authority on the selection of financial management.

Assistant Group Secretary

to £6,000

London, W.1.

+ car

This key appointment offers both job satisfaction and depth of experience over a broad spectrum to a competent, self-motivated Chartered Secretary. It arises within the headquarters of a public industrial Group operating throughout the U.K. and in Europe. The successful candidate — probably aged 26 to 32 — will be responsible for a comprehensive and varied range of company secretarial matters including those relating to Group property and insurance. Sound, relevant experience in industry/Commerce is essential as is the necessary presence and personality for numerous dealings with people at all levels both inside and outside the Group. Telephone 01-836 1707 (24 hr. service) quoting Ref. 0840/FT. Reed Executive, 55-58 St. Martin's Lane, London WC2N 4EA.

London • Birmingham • Manchester • Leeds • Paris

Reed Executive

The leading authority on the selection of financial management.

Financial Executive

from £7,500

Midlands

+ car

The qualified accountant required for this senior post will be an important member of our clients young management team. The company enjoys a multi-million pound turnover and forms a large and successful part of one of the largest British engineering Groups. We are seeking a commercially experienced candidate, probably between 30-39, enthusiastic, ambitious and competent with considerable potential. He/she will be responsible for the complete financial function involving a sophisticated computerised process costing and budgetary control system. The work will be demanding and rewarding and the prospects quite exciting. Telephone 061-832 6631 (24 hr. service) quoting Ref. 1199C/FT. Reed Executive, 15 Piccadilly, Manchester M1 1LT.

London • Birmingham • Manchester • Leeds • Paris

Finance Director

City

up to £10,000 + car

Distinguished international transport-based group seeks a finance director for a sub group, itself one of the major U.K. shipping and forwarding agents with an eight-figure turnover.

There is a need to improve accounting disciplines and control. The new incumbent will be expected to participate in commercial aspects of the trade and other general management areas.

Candidates should ideally be qualified accountants aged 30-45, with a knowledge of DP and exposure to modern accounting concepts. Prior experience in freight forwarding or a business handling volume throughput is essential.

Prospects are not confined to the finance function, or to this sub group.

For a fuller job description, please write to A. R. D. MacDonell, John Courtauld & Partners Ltd., 78 Wigmore Street, London, W1H 9DQ, indicating briefly and explicitly your relevance and quoting reference 502/FT.

JC&P

Chief Accountant required in small town, N.W. Germany

Small chemical plant (45 employees), a subsidiary of large American multi-million dollar manufacturing company, requires a Chief Accountant. The main responsibilities will be:

- Improvement of financial accounting system and controls including the use of computer facilities (IBM System 32 to be delivered end of year).
- Preparation of budget and monthly financial statements.
- Monitoring cash resources.

Responsible to the local General Manager, and indirectly to Corporate Management in U.S.A.

Candidates should be qualified Accountant with previous experience in standard cost, budget, cash flow, etc. Fluent in English and German essential. Salary will be in the range of DM42,000 p.a. (£9,000). Interviews to be arranged in London.

Please apply to Box A.5464, Financial Times
10 Cannon Street, EC4P 4BY

QUALIFIED ACCOUNTANT

Southern England c. £6,250 + car.

With commercial experience to be responsible to the Managing Director for the finance and accounting function of a fast expanding non-food retail operation. Experience in a company with branch operations and where control of stock and efficient reporting systems operated is desirable. (Ref. CSD 382)

CHARTERED ACCOUNTANT

South West England c. £6,750 + car.

Responsible for total accounting function and advising Managing Director of financial implications of business activity and development in a growth company diversified into engineering and industrial product sales. (Ref. CSD 383)

Both appointments have first class terms of employment and prospects, which include eventual Board appointments, are excellent. Males and females may apply.

Please write with full personal details and state companies to which applications may not be forwarded.

R. C. HINGES, InterAd Limited, Clarendon House, Clarendon Road, London EC4A 3EA.

InterAd Limited

Group Head of Finance

Exceptional opportunity at London headquarters of diversified international Group with sales exceeding £125 million.

The task is to direct the Group financial and accounting activities worldwide and to participate at the highest level in corporate decision-making.

The successful applicant is likely to be currently earning more than £12,000 per annum and could presently be Financial Director of a Group with £25-£30 million sales or a frustrated second-string in larger Group.

We believe our choice will be a Graduate with an Accountancy qualification, preferably aged under 40 with proven track record in Financial and Management Accounting and an ability to communicate and work in a top executive team.

Success in the post will lead to Main Board appointment. Salary negotiable, car and usual fringe benefits.

Please write in the first instance c/o Mr T. C. Mallott, Director, Austin Knight Limited, London W1A 1DS, listing separately any companies to which you do not want your reply to be forwarded.

Group Accountant

£6250

A financial group with substantial interests in banking, insurance, and property is taking the opportunity of the migration of one of its accountants to upgrade his function & so to develop further the accounting system and financial reporting procedures. Reporting to the group chief accountant, whose role is simultaneously being enhanced, the new accountant will be a key member of a small head office team totalling 15.

The requirement is for a qualified accountant of about 35 who is looking for his/her second job since leaving the profession. The qualities that are sought above all others are creative ability and the skill to implement the financial effects of changing accounting situations.

Location: City of London; salary: £6250; fringe benefits include free BUPA, non-contributory pension scheme and an interest-free loan towards the purchase of a season ticket.

Please write in confidence for a description of this job and for an application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 1BS quoting MCS/357.

SHORT STAFFED

AT YOUR

YEAR END?

Accountants available and wanted for dealing with accounting problems.

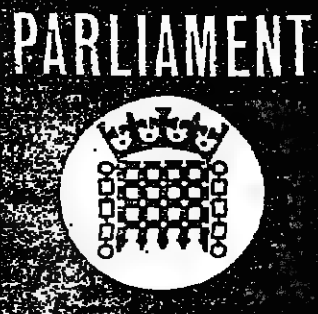
Telephone 01-629 8633.

INTERNATIONAL

VOLUNTARY SERVICE

urgently requires an ACCOUNTANT (Treasury Assistant) for the Central District Council in Somerset.

Volunteer terms include return fares, insurance, living allowance, settlement grants, housing, etc. For further details please contact:— Mike Bohn, Section 2, LV5, "Crested House", 53, Regent Road, Leicester, LE1 6YL.



MPs insist on 50-mile fishing zone

BY JOHN HUNT

Minister pressed on rising jobless

MR. BRUCE MILLAN, Secretary for Scotland, came under fire from both sides of the Commons yesterday over the rising level of unemployment in Scotland.

Like the Prime Minister 24 hours earlier, he admitted that cuts in public expenditure were likely to have the short-term effect of reducing employment but insisted: "It is equally true that unless we get our economic policy generally right, the long-term prospects for employment are very bad indeed."

Faced with criticism from Scottish Conservatives, the Scottish Nationalist and Scottish Labour MPs, Mr. Millan stressed that much of the increase in unemployment announced on Tuesday was due to the reclassification of summer school-leavers.

"Employment prospects for the rest of this year should be considerably enhanced by the growth in output and exports nationally," he said.

This did little to stem the flood of criticism which was sweeping an English outburst when Left-winger Mr. Bob Cryer (Kilgobbin) called on the Minister to resist "the blackmail from international bankers who want to cut public expenditure."

Mr. James Sillars, the breakaway Labour MP who played a leading role in forcing the Scottish Labour Party to bitterly protest that it was deliberate Government policy to create high unemployment to discipline the working class.

If this policy was continued, he said, Mr. Millan would deserve the reputation of being a member of the "first Tory Labour Government in history."

Denying the "monstrous" charge that the Government was deliberately using unemployment as an instrument of policy, Mr. Millan declared: "No one is more anxious than the Government to get the unemployment figures down as rapidly as possible."

Tories attack exams merger proposal

THE CONSERVATIVES last night mounted an attack in the Commons on the controversial proposal to merge the CSE and GCE examinations in a new examination in which every entrant would get some sort of pass.

The attack came as the Commons resumed the report stage of the Education Bill—the first measure to come under the guillotine—which was approved by the House the previous night.

The contentious Bill which compels all local education authorities to introduce a comprehensive system in which all pupils are taught together, was introduced last night under the guillotine timetable. It still has to go to the Lords where it is expected to meet strong opposition and to provoke further lengthy debate.

From the Tory backbenches, Mr. Neil Macfarlane (C. Sutton) moved a new clause to abolish the Schools Council.

This, he said, would allow it to be replaced with a new advisory body on which all education interests would be adequately and equitably represented.

He argued that the Schools Council was unrelated and totally unresponsive to the main body of educational opinion. Its recent announcement plans for the new exam in English, CSE and GCE, was yet another attack on standards of education.

He complained that the Council had only one representative from the "O" level examination boards and one from the "A" level examination boards. The Schools Council is a mammoth. It is too big with too little competence to survive in the 1970s.

It had rushed into situations where it had no competence, he said, and had now begun to undermine educational standards, he declared.

Prison population rises to new peak of 40,808

BY KEVIN DONE, INDUSTRIAL STAFF

THE PRISON population in England and Wales last year was the highest ever recorded and reached a peak at the end of July of 40,808. For the rest of the year it remained above 40,000 and more than one-third of the prisoners had to sleep two or three to a room in cells designed for one person.

According to figures in the 1970 report on the work of the prison department, which was published yesterday, in April that year the number of unconvicted prisoners reached 6,929, the highest figure recorded this century.

The report warns that if the prison population increase for the years up to 1980 equals or exceeds the current forecasts, there will be little scope for reducing overcrowding.

Because of Government cuts, the prison building programme designed to produce new accommodation, reduce overcrowding and redeploy existing establishments, must virtually come to a halt by 1980, says the report.

Last year there was an increase of more than 10 per cent in the population of Borstal, and a rise of 7 per cent at senior, and more than 10 per cent at junior, detention centres. The number of people awaiting sentence or trial rose by more than 10 per cent.

THE POSSIBILITY of negotiating a 50-mile exclusive fishing zone around all of Britain's coastline was ruled out yesterday by Mr. Roy Hattersley, Minister of State at the Foreign Office, when he reported back to the Commons on the two-day meeting of the EEC Council of Ministers.

He indicated that in the further negotiations on the revision of the Common Fisheries Policy, Britain would be pressing for a maximum 50-mile limit only for certain parts of the coast.

In a statement to the House, he said that at Brussels on Monday and Tuesday, a draft declaration had been provisionally approved committing the community to deciding procedures for an extension of overall EEC fishing limits to 200 miles by October 1. Mr. Hattersley said he would be attending a further meeting on Tuesday.

But the main concern of MPs yesterday was the size of the national fishing zone which will be decided for Britain in the further negotiations. Limits within which other EEC countries will be forbidden to fish.

They repeatedly tried to get a clear undertaking from Mr. Hattersley that he would accept nothing less than 50 miles all round the coast.

But he refused to give such a promise even though Mr. Douglas Henderson (Scott. Nat. Aberdeen E.) warned that the Nationalists would only support him "if he was prepared to stick to 50 miles and not an inch less."

Mr. Bob Hughes (Lab., Aberdeen N.) told him there was common agreement in the House that nothing less than 50 miles would do.

For the Liberals Mr. Jo Grimond (Orkney and Shetland) declared that the Scottish fishing industry was adamant that there had to be a 50 mile limit.

Another Scottish nationalist, Mr. Hamish (Barry) said that Scottish fishermen were determined to change the whole face of European politics rather than put up with this "sellout."

In reply to this barrage of hostile questions, Mr. Hattersley emphasised that he needed the unanimous backing of the House in order to succeed in the negotiations. He promised to pursue the talks "toughly, determinedly and as quickly as possible" within the realities of the situation.

Of course, the Government accepts there are substantial areas of the British coast for which we need a 50 mile exclusive zone."

Miss Margaret Jackson, Under-Secretary for Education, told the Commons that the Secretary of State (Mr. Fred Mulley) was on one's puppet and would make his own decisions on the examination proposals which had been put forward by the Schools Council.

She claimed that Mr. Macfarlane had been "a little unfair" in his arguments. It was very much the purpose of the Council to investigate the examination system and make proposals to the Secretary of State.

Dr. Rhodes Boyson (C. Brent N.), a leading Tory Right-winger and opponent of comprehensive schools, said that he opposed the Schools Council "root and branch." The present need in education was for stability and continuity while the Council seemed to feel that its job was to create constant disturbance.

Mr. Norman R. John-Stevens, Shadow Education Secretary said that the official Opposition could not accept the proposal.

The power of the Schools Council had increased and ought to be diminished. But its abolition would be a disaster.

Mr. Stevens added: "The Schools Council has done a number of good things and one has to balance the good against the bad. The bad things are not going to be done by the Council, but by the Government. The good things are not going to be done by the Council, but by the Government. The bad things are not going to be done by the Council, but by the Government. The good things are not going to be done by the Council, but by the Government."

"It is these difficulties which have not been faced and researched by the Schools Council," Mr. Macfarlane agreed to withdraw his proposal for scrapping the Council.

But were we to attempt to obtain 50 miles exclusive fishing all around the coast of the U.K. I don't think that the negotiations would be successful. I don't believe we would get the maximum interest of the British industry preserved.

"Our policy is to obtain for the fishing industry the best deal we can within the revision of the Common Fisheries Policy. I believe we can and will obtain substantial improvements in the CFP."

The reality is that we have to obtain the goodwill and co-operation of our colleagues in the Community. The rules don't allow us to go it alone. We have to make reasonable proposals that have some chance of acceptance."

He maintained that the hard fact was that the Government had been faced with a Common Fisheries Policy which had been signed and accepted by the last Tory Government. That was the time when the past had been sold. It was not a situation which could be changed by veto. It had to be done by agreement.

At this Mr. John Davies (C. Kilmordy) who was in charge of the EEC negotiations under the Tories, angrily intervened to say that Mr. Hattersley's charge against the last Government was sheer hypocrisy.

Mr. Iain Sproat (C. Aberdeen S.) said the fishing industry was opposed to the whole of the variable limit plan.

A COMMITTEE of inquiry set up to find out why the House of Commons catering department is continually in debt recommended in its report yesterday that the only solution was a fresh start—by wiping out that debt.

This would mean writing off a current overdraft of more than £200,000.

The report says losses amount to about £23,000 a month, and in 1970-71 the Department made a net loss of £235,000.

It is pointed out that catering at the Commons is not a perk for the 650 MPs, but a basic necessity for over 2,000 people, including private members, who meet at the Palace of Westminster at all hours of the day and night.

Had the needs of Commons staff been met with sufficient care, their regular patronage throughout the year would have provided a stable and substantial base for the department's operations, the report adds.

The committee, chaired by Mr. Ian Mikardo, Labour MP for Bethnal Green and Bow, agrees it is natural and right that over the years the Commons and the Government have been deeply concerned about the financial and other defects of the operation of the catering department.

The report says all similar establishments in the public and private sectors in the country have to be subsidised, but the Commons receives no direct subsidy and is subject to a number of particular handicaps which make things worse than they might be elsewhere.

The building is old and rambling. Kitchens and other facilities are badly laid out and wrongly sited, and there are too many different service points. Food has to be available for MPs and staff while the House is sitting, often late into the night, but the demand is always irregular and falls substantially during recess.

The committee recommends that catering in the Commons should receive a subsidy calculated on the basis of the formula applied to Civil Service establishments, but that the subsidy should not be allowed to mask inefficiency. It calls for a rationalisation of catering facilities and improvements in management structure, budgetary control and pricing policy.

Mr. Gladstone to return to-day to the scene of his greatest triumphs, his anguish at the post-war profligacy of big spending Governments would be second only to his chagrin at the spectacle of his once great Liberal party and the condition of Northern Ireland.

No doubt, now that the Grand Old Man's spirit is once more talking the Cabinet room, his noble bones are resting more quietly in their grave 50 yards from the Commons across Parliament Square in the North Transept of Westminster Abbey.

It is a tribute to the enduring legacy of his brilliant reforming Chancellorship of 1893-1896, that the latest suggestion for improving the control of public spending should owe its inspiration to the achievements of Mr. Gladstone's 115-year-old Public Accounts Committee.

In an article published in the *Parliamentary* last night, the present chairman of the PAC, Mr. Edward du Cann, argues that public spending is out of control and the best remedy is improved Parliamentary scrutiny. To achieve this, Mr. du Cann is seeking the establishment of a Monitoring Committee—a new price among Select Committees—to be sited out of the union of the PAC and the Expenditure Committee.

When Mr. du Cann presents his case to the newly founded Select Committee on Procedure, there will be several factors in his favour: first, his personal experience as a Conservative Economic Secretary to the Treasury in the early 1960s, his founding chairmanship of the nascent Expenditure Committee in 1970, and the present eminence of the PAC. Mr. du Cann mentions his chairmanship of the powerful 1922 Committee of Conservative backbenchers.

In addition, his proposal has a distinguished ancestry. As long ago as 1946, a contemporary Procedure Committee recommended the merger of the PAC with the Estimates Committee, the precursor of the Expenditure Committee, though nothing came of it.

In 1972, the concept was revived by that most scrupulous of Treasury minds, the late Sir Otto Clarke, who was determined that the Parliamentary arm of spending control should be reformed to match the advances made by the Treasury's public expenditure survey committee since the Flood year of 1966.

Briefly put, the reformists' case

Callaghan condemns the men who murdered his envoy

BY JOHN HUNT

THE ASSASSINATION of the British Ambassador in Dublin and of Miss Judith Cook, a private secretary in the Northern Ireland Office, was bitterly condemned by the Prime Minister yesterday as the work of "able men who were the common enemies of the British and Irish Governments, and of all decent people."

The news of the latest atrocity provoked the most emotional and bitter reaction which has been witnessed in the Commons since the start of the IRA terror campaign.

In a voice choking with distress, Mr. Callaghan told how he felt a direct personal involvement as he had selected the Ambassador, Mr. Christopher Ewart-Biggs, for the post.

He explained that the Foreign Office had originally had a different destination for the Ambassador.

"I felt particularly close to this because he was my own choice for Ireland. I thought his qualities and talents would be suited there. It was only a few weeks ago that I saw him and he told me how much he was looking forward to this post. He is a great loss."

Mr. Brian Cribben, the Permanent Under-Secretary at the Northern Ireland Office, who was seriously injured in the blast, had once been Mr. Callaghan's Private Secretary. He said he knew his qualities well and that he was a person we could ill afford to spare.

"It is naturally very close to us when those we know and have worked with suffer in this way," the Prime Minister went on.

He said that the fact that hundreds of innocent men and women have been slaughtered on the altar of religion was a tragedy of the first order.

The terrorists were no friends of anyone. "They are a common enemy whom we must destroy or be destroyed by. I don't envy them their consciences."

Mr. Callaghan said that the Government of the Republic had taken many steps to track down those who perpetrated violence between the two countries to deal with the common enemy.

Mr. John Ewart-Biggs (C. Epping Forest), a cousin of the dead Ambassador, said the Prime Minister's statement would be approved by the family. They had been very close to him and his voice rising with emotion, he called for an all-out and co-ordinated effort to root out "the common enemy of the British and Irish."

The Liberal leader, Mr. David Steel, said he had known the Ambassador in his previous capacity as Minister in Paris. He thought he should not be deflected from the path that Mr. Ewart-Biggs had followed in bringing the relations between Britain and Ireland closer together.

Mr. Margaret Thatcher, Opposition leader, said she was appalled and shocked at the news. She joined in the Prime Minister's expression of sympathy with the family "though sympathy seems an inadequate word for the deep and sad grief which is now theirs."

Instead of being run by a committee of MPs, the department should become a department of the House with a higher degree of professional management, but with consumer councils for staff and members to allow easier communication with the customers.

Consultants should be employed to advise on purchasing policy and manning levels.

One new facility which the committee says the department should provide is a self-service shop offering a fairly wide range of goods because almost all existing shopping facilities near the Palace of Westminster.

It adds that the Press should be responsible for their own catering facilities, should negotiate directly with the Environment Department about capital expenditure, and should negotiate with the catering manager if they wished to use some of the facilities of the catering department.

The committee, whose report is made to Mr. Michael Foot, leader of the Commons, was set up last year by Mr. Foot's predecessor, Mr. Edward Short.

Mr. Edward du Cann argues that the Public Accounts Committee is "scrambling on the tip of the iceberg."

concentrates on the need to combine the better elements of both committees—the PAC's proven ability to root out Government inefficiency, using the detailed accounts provided by the Comptroller and Auditor General and his 550 staff in the Exchequer and Audit Department, and the wide-ranging illumination of the future Government policy afforded by the more successful investigations of the Expenditure Committee.

Sir Otto Clarke candidly added the rider that a joint Public Expenditure and Accounts Committee would make better use of the limited number of MPs capable and willing to perform the exacting task of taking on the executive might of Government.

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It was not known what the terrorists hoped to achieve by a senseless and brutal act. We must make clear that they will never weaken our resolve to root out terrorism by every possible means, and to demonstrate to the law-abiding citizens of both our countries that the rule of law and decent values must prevail and will survive."

Mr. Enoch Powell (UUU Down S.) said that the men who did these things were not just enemies of a section, but of both Government and people of the Irish Republic and of the U.K.

Mr. Tom Urwin (Lab., Houghton-Spring) said that the British and other delegates to the Western European Union would remember with gratitude the wise counsel of Mr. Ewart-Biggs.

Mr. Julian Amery (C. Pavilion) said that Mr. Ewart-Biggs had made an immense contribution to the improvement of Anglo-French relations during his time in Paris.

Mr. Gerry Fitt (SDLP Belfast W.) said that the Irish Government had been under a great deal of pressure to accept the British character and the likely result of their actions.

There would only be even greater disgust and repulsion for people who could commit this sort of atrocity.

Lord Evers (I.), said the nation would be outraged at "this senseless, mindless assassination."

The Bishop of London (Dr. Gerald Ellison) said: "We must make it clear that these terrible things are purely negative and will in no way divert us from our desire to find peacefully the answer to the terrible circumstances in Ireland."

Lord Shepherd, Leader of the House, said the resolve of the British Government, Parliament should put a stop to talks between British officials and the Provisional IRA and its political wing, the Provisional Sinn Féin.

Mr. Callaghan replied that there had been no talks with the Provisional IRA, and the Northern Ireland Office had already made clear the Government's attitude towards the Provisional Sinn Féin.

Mr. Anthony Kershaw (C. Stroud) said the size of the explosion indicated that the preparations could have been discovered by due vigilance.

He asked whether Mr. Callaghan was satisfied with the degree of security afforded to the Ambassador in Dublin and the Irish Ambassador here.

Mr. Callaghan said he could not comment on whether the explosion could have been averted. He knew from experience of the Embassy in Dublin that considerable precautions were taken.

When the statement was repeated in the Lords, Lord Carrington, Opposition leader, said that those who are responsible for these barbarous crimes totally misunderstand the British character and the likely result of their actions.

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Economic talks pledge

THE U.K. intends to play a full and active part in the forthcoming international discussions on proposals for enabling developing countries to attain economic viability.

Lord Gorman, Secretary of State, Foreign Office, said this promise in the Lords last night when peers debated the outcome of the recent UNCTAD meeting in Nairobi.

But the Minister stressed that he could not commit the Government to do more than was practicable in the present economic situation.

It adds that the Press should be responsible for their own catering facilities, should negotiate directly with the Environment Department about capital expenditure, and should negotiate with the catering manager if they wished to use some of the facilities of the catering department.

The committee, whose report is made to Mr. Michael Foot, leader of the Commons, was set up last year by Mr. Foot's predecessor, Mr. Edward Short.

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concentrates on the need to combine the better elements of both committees—the PAC's proven ability to root out Government inefficiency, using the detailed accounts provided by the Comptroller and Auditor General and his 550 staff in the Exchequer and Audit Department, and the wide-ranging illumination of the future Government policy afforded by the more successful investigations of the Expenditure Committee.

Sir Otto Clarke candidly added the rider that a joint Public Expenditure and Accounts Committee would make better use of the limited number of MPs capable and willing to perform the exacting task of taking on the executive might of Government.

At first sight, the proposal seems impeccable. It is common-

of the security services. During the course of their travels, should the auditors come across any evidence of irregularities in the use of resources, they alert their chief, the Comptroller and Auditor General, Sir Douglas Hensley. Should he, in his part, believe the errors warrant it, he will place them before the 13-member PAC.

In the earlier metaphor of the PAC, a leading authority on the Treasury, the PAC traverses scattered tracks of Government expenditure firing away at the peccant game put up for it by the Comptroller and Auditor General. Unlike many of the reports of the Expenditure Committee and its sub-committees, the PAC's reports are invariably noted, accepted and acted upon by the Treasury on behalf of the Government as a whole.

It can be argued that the detailed, specialised approach would not survive the transformation into the wider scrutiny of Government operations required by the merged and enlarged committee. Its forensic skills would inevitably be diluted should its remit be too wide. Under the 1966 Exchequer and Audit Departments Act (another Gladstonian monument) the CAG and his staff have a guaranteed right to all Government documents relating to accounts. No Government, however, would ever allow a revamped Exchequer and Audit Department to forage at will through all its documents, from current Cabinet papers downwards.

But the most compelling argument for the status quo rests on the claim that the great British tradition of bending existing statutes and practices to suit new conditions makes change superfluous.

Since the amendment on the 1966 Act in 1971, the C & AG has been able to go beyond the mere sifting of accounts to ensure that monies voted by Parliament have been properly spent and accounted for, to a wider examination of departmental efficiency. Since the 1950s this freedom has been increasingly used to greater effect. Examples range from the £20m. profits of the Independent Television companies brought to light in 1958-1959 and the £5.7m. Ferranti profit on the Bloodhound missile to the £1m. Army vital result of auditing the 1957. More recently, under Mr. Callaghan, the PAC was the

primary instrument in changing Government attitudes to the taxation of North Sea oil reserves.

Their precious statutory right to inspect the accounts through the Exchequer and Audit Department gives the PAC access to virtually every aspect of central government should they wish to task it. There is the biggest window of all on Whitehall. If they concentrate on past performance in fields of Government activity about to come under review—housing finance, for example—there is a constant stream of evidence available. The PAC should not broaden its frontiers in a way that would make it unnecessary to take risks involved in a merger with the Expenditure Committee.

Mr. du Cann, though second to none in praising the achievements of the PAC, is a gradualist in these matters. "For all their application, I do not doubt that most members of the PAC feel as I do—that however significant our work may be, to some extent we are merely scrambling about on the tip of the iceberg, a mere eighth of the total volume of that massive potential economic shipwreck which shows above the surface," he writes.

A new Monitoring Committee, serviced by an Exchequer and Audit Department reformed by statute and double its present size, "would mark a giant step forward in Parliament's control of what has become in recent years, by carelessness or accident, a monstrous process of extravagance."

Whether the Select Committee procedure, under Sir Thomas Williams QC, takes this particular idea on board is an open question. The committee has a number of traditionalists serving on it, and it will be argued, with the detractors from the party battle on the floor of the House.

They may well be joined by other colleagues, who are members of the Expenditure Committee and want the possibility of a "however big, in how to make new ones. There is the 'good Government' argument this auditing should be kept separate from all else as a single-minded, incorruptible exercise.

Produce pour ou

By Peter Kraushar

THE Government's fix in the Price

Selling by results

independent medical shops, recruitment, the commission system and the Office of Fair Trading—that might interfere with the daily grind in the immediate future.

Angus Ross (left) set the conference alight by attacking Eirlys Roberts (right). David Abbott (centre) took a more conciliatory line.

nd make converts softly. It is the approach it followed after the 1974 conference with great success. The arch-critics then, John Shirley-Williams and Mr. John Methven, have been, to a

independent media shops, recruitment, the commission system and the Office of Fair Trading—that might interfere with the daily grind in the immediate future.

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COMPANY NEWS + COMMENT

Dowty advances to record £13.14m.

SECOND-HALF profits of the Dowty Group went ahead from £3.5m. to £5.98m., pushing up the total for the year ended March 31, 1976, to a record £13.14m.—an increase of £3.68m. on 1974-75.

Group turnover also increased by £27m. The export and overseas content amounted to £38m. The improvement in profit was assisted by a recovery of margins on export business. The present level of orders, together with longer-term prospects, encourages a prediction that further progress will be made during the current year.

Profit before tax gave a return of 22.7 per cent. on total funds excluding borrowings. Earnings per share improved by 22 per cent. from 13.2p to 16.1p per share despite a tax charge relatively increased due principally to a loss in the hydraulic seals subsidiary in Malta where higher tax exempt profits have been earned.

The increase in working capital required to support the higher turnover and higher rate of capital expenditure were more than provided for by retained profits, depreciation and deferred tax (particularly for stock relief) and liquidity improved by £3m. Existing financial resources are adequate for present needs.

The dividend total is raised by the permitted maximum—from 3.03p to 5.41p net, with a final of 5.71p. As a result the shares at 150p, where they yield 3.8 per cent, are also proposed.

A revaluation of U.K. properties has thrown up a surplus of £9.85m., after providing for deferred tax which has been transferred to reserves.

Turnover 1974-75 1975-76
Trading profit 121,514 164,531
Interest 13,325 9,748
Profit before tax 134,839 174,279
Tax 11,000 11,000
Net profit 123,839 163,279
Dividends 3,030 5,410
Retained 120,809 157,869

comment
Dowty's 39 per cent. increase in pre-tax profits is much in line with the forecast made at the half year. The second half was a further recovery in profit (up from 10.9 per cent. to 11.5 per cent.) due principally to a marked improvement in mining equipment exports with more profitable U.S. sales (turnover increased 30 per cent.) replacing the high volume, but low margin, Chinese business. At home activity in the hydraulics and seals divisions remained depressed until the last quarter. But the overall

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Daily Mail Trust	21	4	Scottish & Newcastle	21	1
Dowty Group	20	1	Standard Trust	20	5
East Asiatic Rubber	21	3	Syltone	20	5
Electra Investment	21	6	Union Discount	21	4
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improved profitability resulted in last year's £2.7m. cash outflow being turned into a positive cash inflow with liquidity improving by around £3m. This year overseas demand for mining equipment should remain buoyant helped by growing South American sales, and the only possible reservation is that the forthcoming U.K. public spending cuts might affect the Coal Board's ordering. However, this should be more than offset by the increased activity on the aviation side in 1977-78 when production associated with the MRCA programme and the U.S. version of the Harrier come fully on stream. As a result the shares at 150p, where they yield 3.2 per cent, should live up to their above average rating for this section of the engineering sector.

MK Refrig. up to £3m. at midway

FOLLOWING THE report in February that demand continued to be buoyant, M.K. Refrigeration has produced first half (ended May 1, 1976) profits sharply higher at £250,000, compared with £450,000.

Although turnover and profit for the first six months show a good recovery over the corresponding period last year, margins are still under pressure from increased costs, the directors state.

They report, however, that prospects for the second half are encouraging as demand, especially in export markets, remains buoyant.

Turnover in the first half expanded from £4.6m. to £5.35m. The net profit emerged at £250,000 compared with £209,000, after tax of £390,000 (£227,000).

The net interim dividend is raised from 1.157p to 1.358p, which is half the maximum permitted for the year, and a similar final is forecast.

For 1974-75 a total of 2,508,700 was paid from profits of £1.36m.

Mr. and Mrs. M. Komeda have waived dividends of £26,368.

comment
The upsurge in demand for cooling equipment which began in the second half of 1975, has been maintained into 1976-77, carrying M.K. Refrigeration's first-half profits 72 per cent. higher pre-tax on a 24 per cent. rise in sales. Volume apparently rose about 16 per cent. during the period but the group has also enjoyed the benefits of recent price increases as well as a general tightening-up operation.

The second six months should see profits from two large contracts in the Middle East and Germany and, with a second major Saudi Arabian contract now in its train, the group's work load looks healthy. Profits of around £2m. pre-tax look a reasonable hope for the full year, with cash balances now running close to £11m., the shares, which fell by 8p yesterday to 73p where they are on a prospective price/earnings ratio of 8 per cent, are not overvalued.

Lindus Industries turns in £7m. profit

IN THE 18 months ended April 3, 1976, pre-tax profits of Lindus Industries amounted to £7.02m., compared with £4.64m. in the previous 18 months. The directors say that in the latter part of the period earnings improved materially and consequently profits on a pro-rata basis closely equated to those of 1974-75.

The improving trend has continued in the early period of the current year, they report.

Earnings per 25p share were 17.3p (11.88p). The dividend is 6p (3.75p), with a final of 2.8p, the maximum permitted.

1974-75	1975-76
Turnover	7,000
Engineering	10,000
Polymer	17,700
Textile	10,700
Overseas	10,700
Profit	7,020
Engineering	2,000
Polymer	2,100
Textile	2,100
Overseas	2,820
Investment income	85
To provision fund	1,000
Share of associates	300
Profit before tax	7,020
Current tax	1,100
Net profit	5,920
Minority	271
Reserves	1,100
Attributable	5,649
Dividends	1,200
Retained	4,449

The directors explain that profits of the engineering division improved mainly as a result of the return to profitability of two large subsidiaries.

In the polymer division the recession seriously affected two

companies—one made a loss while the other faced a considerable reduction in demand. The textile division produced good profits, stimulated by a high level of exports.

Overseas, the Mexican subsidiary produced record results but the Canadian subsidiary's profits were sharply reduced due to seasonal factors, a contraction in fishing industry requirements and a substantial write-down in inventories.

comment
Adjusted for a 12-month period Lindus is 3 per cent. ahead pre-tax on a sales increase of 48 per cent., thanks to a strong recovery in the engineering division in the last six months. This was achieved on a big turnaround in two engineering subsidiaries—Covellshaw Walker and Delanair—which suffered losses in the preceding 12 months.

An upturn in motor car industry also helped this division, which has remained buoyant in the current year. Though the polymer and overseas divisions are still experiencing difficulties, it looks as if Lindus will show further improvement in the current year.

The textile division remains buoyant and the South African associate is on a recovery path. So a p/e of 4.3, at 60p, and a yield of 10.8 per cent. are somewhat on the cautious side.

Vosper £0.7m. ahead

REPORTING a rise in pre-tax profits from £1.4m. to £2.34m. for the six months to April 30, 1976, the directors of shipbuilders Vosper Thornycroft say that, despite the political and economic uncertainties, they expect full year profits to exceed the £4.6m. achieved in 1974-75.

First half earnings of £1.17m. are up from 8.9p to 17.2p per 25p share and the interim dividend is lifted from 1.5p to 2.025p net. This is half of the maximum permitted for the year, and a similar final is intended. Last year's final was £2,578p.

1974-75	1975-76
Turnover	10,000
Engineering	10,000
Polymer	17,700
Textile	10,700
Overseas	10,700
Profit	7,020
Engineering	2,000
Polymer	2,100
Textile	2,100
Overseas	2,820
Investment income	85
To provision fund	1,000
Share of associates	300
Profit before tax	7,020
Current tax	1,100
Net profit	5,920
Minority	271
Reserves	1,100
Attributable	5,649
Dividends	1,200
Retained	4,449

comment
Vosper's profits capable of making £4.6m. pre-tax this year and it has recently been adding to its balance sheet. The directors say that the market capitalisation is still only £4.1m., which is roughly the amount that Vosper stands to receive very long. Meanwhile, Vosper still has two years of work on hand and it continues to spend heavily on capital account. The 20.0 per cent. stake in Varrow is a solid base which, following April's property revaluation, is now worth £18.6m. The market should know the answer to most of its nationalisation questions before the end of the year. Vosper still has two years of work on hand and it continues to spend heavily on capital account. The 20.0 per cent. stake in Varrow is a solid base which, following April's property revaluation, is now worth £18.6m. The market should know the answer to most of its nationalisation questions before the end of the year.

Lynton jumps to £5.61m.

INCLUDING £4.76m. against £1.35m. from the sale of properties and other investments, pre-tax profits of Lynton Holdings jumped to £5.61m. for the year to March 28, 1976, from £1.35m. in 1974-75.

Rents receivable rose from £1.68m. to £2.2m.

The final dividend is 1.00p net, lifting the total from 1.9p to 2.00p per 20p share.

The directors have consulted their valuers again and are of the opinion that the aggregate value of all the group's properties continues to be materially in excess of existing book values.

60% acceptance of Grendon's new terms.
It now seems certain that the liquidation of Grendon Trust, the property group which also owns the Monotype Corporation, has been averted following firm indications from almost 60 per cent. of the holders of the 11 per cent. Unsecured Loan Stock, 1978-81, that they will accept the revised redemption terms announced on Monday at the extraordinary meeting.

Agreement comes after the original offer of £40 per £100 nominal of stock was rejected by the principal holders—Norges Grenfell and Robert Fleming on behalf of London and Indemnity and General Insurance. The terms were improved by the addition of a further £20 per £100 in the form of Subordinated Unsecured Loan Stock, 1978-81.

Documents convening an extraordinary meeting of holders of the loan stock to approve the proposals will be sent out as soon as possible.

SALVAGE & WYATT
A Receiver has been appointed to Salvage and Wyatt by Barclays Bank under powers contained in a Debenture issued to the Bank conferring a fixed and floating charge on all property of the Company.

DIVIDENDS ANNOUNCED			
Company	Current payment	Date of payment	Corresponding dividend for last year
Bank Leumi	2.85	Aug. 12	2.58
Bullough	2.14	—	1.69
Butterfield-Harvey	1.04	Sept. 1	1.01
Dowty	2.71	Oct. 15	2.44
English Assoc. Bond	4.88	Oct. 1	4.88
Foreign & Colonial Invest.	0.85	Oct. 1	0.8
Lindus Industries	2.8	Oct. 1	2.65
Lynton Holdings	1.06	—	2.01
M. Miller Invest.	Nil	—	1.16
M.K. Refrigeration	1.36	Oct. 4	1.16
New Throgmorton Trust	1.8	Oct. 5	0.43
Standard Trust	1.3	Sept. 3	1.13
Syltone	3.13	Sept. 14	3.13
Union Discount	2.06	Sept. 1	1.5
Vosper Thornycroft	2.28	—	1.95
Yeoman Investment	2.28	—	1.95

Dividends shown pence per share net except where otherwise stated. (a) Final of not less than previous year's 3.4125p forecast. (b) For 18 months.

Courtaulds waits for second half

DESPITE SOME improvement in trading conditions, Courtaulds' profits for the half year to September 30 are unlikely to be any better than the £22m. seen in the first six months of 1975.

This was stated by chairman Sir Arthur Knight at yesterday's annual meeting.

Compared with a period which reflected profitable export contracts signed at the beginning of 1974, the group's margins were under pressure in some areas of home business both at home and overseas, Sir Arthur explained.

Also the current year had to carry the start-up costs of new projects and because Courtaulds had borrowed to maintain a high level of capital expenditure, interest charges would be higher.

However, the underlying trend is encouraging and, in the second half of the year.

Capital expenditure would exceed the £22m. authorised at the beginning of the year, but the group's higher working capital demands, might mean a further increase in borrowing. The company had recently re-negotiated its £20m. medium-term loan facilities and increased them to £30m.

In a general survey of the group, Sir Arthur said immediately that prospects in the U.K. were not encouraging, and with such limited domestic growth prospects "we shall continue to put our emphasis on the further expansion of our overseas business."

The group already exported one-third of its U.K. output and over wide areas of the business was aiming at exporting 50 per cent. of the expanded 1976-77 output.

The range and balance of Courtaulds' fibre activities differed from those of its major competitors in the next year or two the group's performance would depend especially upon its acrylic fibre Courtaulds, upon acetate and upon viscose staple fibre.

The Lancashire textile spinning division was nearing the end of its modernisation programme and expected for some time to be now about 30 per cent. of output, he said.

In the fabrics, productivity was not sufficiently high in some areas but in others, for example, filament weaving where 45 per cent. of sales had been exported, export performance was a sufficient indicator of competitive need.

Syltone turns in £0.36m.

MANUFACTURERS of pumps and compressors, and wholesale distributors of electrical products, etc., Syltone finished the year to March 31, 1976, with pre-tax profits down from £408,387 to £382,440 on turnover of £3,371m. compared with £4,535m.

At midway, reporting a fall in profits from £184,000 to £142,000, the directors said that although there was some indication of an upturn, the group would not be back to normal trading before the latter half of 1976.

Tax for the year takes £113,331 against £234,583 leaving £174,109 against £173,584. The relatively high tax charge is caused by the fact that overseas losses cannot be offset against U.K. profits.

Improvement by Bullough midterm

PROFITS before tax of Bullough improved from £616,800 to £832,000 in the first half year ended April 30, 1976, and the net interim dividend is lifted from 1.587p to 2.133p.

The directors anticipate that progress should be maintained in the second six months and in the light of current trading, a maximum permitted total dividend is expected. In 1974-75, a total dividend of £4,500p was paid from pre-tax profits of £1,220p.

Turnover in the first half improved from £6,868m. to £10,141m. Profit is ahead before tax of £452,000 against £370,000.

The group's subsidiaries trade as caravan chassis makers, electroplaters, electrical engineers and wire and shelving manufacturers, etc.

Standard Trust earnings rise

NET REVENUE of Standard Trust improved from £552,468 to £597,000 in the half year ended June 30, 1976, reflecting a lower tax charge of £389,787 (£407,861).

The interim dividend is unchanged at 1.3p net—the total for the year 1975 was 4.3p paid from net revenue of £1.18m.

Ordinary share value was 153.4p (143.5p).

To-day's Meetings

Berkeley Hambro Property, 31, Bishopsgate, E.C. 2. 3.00. Bullam (J. & W.), 12, Abchurch Lane, E.C. 4. 1.00. Investments, Manchester, 12.30. Burnett and Hallamshire, Sheffield, 12. Exchange Telegraph, E.C. 4.

ISSUE NEWS

Molins—8.6m. shares at 120p each

BY TERRY GARRETT

A £10m. offer for sale by Molins, the tobacco machinery group, has emerged swiftly after last week's indication that such a move was under consideration. After excluding £4m. paid acquisition of Langston during 1974, the group is expected to raise next week, the total money to be raised by new issues in less than two weeks is £6m. This follows a completed vacuum in the new issue market for nearly three years and just £31m. raised by two small issues—Wilson Walton and William Leech—in the past two years, both of which were failures.

Last open next Thursday for Molins offer of 8.6m. Ordinary 25p shares at 120p each. Of these 5.4m. are represented by new shares to raise £6m. for the company, while the balance is being sold by family interests for a 5.2m. The offer values the group at £52.2m. and dealings will commence Friday, July 30.

British American Tobacco and the Imperial Group are maintaining their equity stakes in Molins. Following this each will hold 2.8 per cent. of the enlarged capital, while the family interests will be down to 14.8 per cent. Proceeds will be used to reduce borrowings, which stood at £22.1m. on June 30, and fund certain

capital expenditure and capital requirements. Molins has spent on fixed assets in the last year. After the £31.0m. raised in 1974, the group is expected to raise next week, the total money to be raised by new issues in less than two weeks is £6m. This follows a completed vacuum in the new issue market for nearly three years and just £31m. raised by two small issues—Wilson Walton and William Leech—in the past two years, both of which were failures.

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Scottish & Newcastle expansion plans

SCOTTISH & NEWCASTLE, the whisky group, has announced plans to expand its production and distribution facilities in Scotland and Newcastle.

In the current year it is hoped to start the building of a new depot at Dundee as well as the improvement and enlargement of other depots. The group is making considerable investments in computer equipment, reorganising part of the wine and spirit distribution system as well as increasing output and warehousing at the distilleries.

Mr. Balfour says that the greater part of future investment will be concerned with the rationalisation and extension of packaging systems at the main production centres. An examination of problems involved has shown that they will require more radical solutions than the group had previously thought. The resultant changes are likely to affect the pattern and shape of the company for the next 15 to 20 years, and will therefore be a long-term commitment.

Once a capital programme has been agreed, it takes time to get it going, and the effects will not be seen for at least two years, Mr. Balfour points out.

The next few years he expects an increasing rate of expenditure on new commercial

A group funds statement shows that there was a net inflow of cash funds of £23.78m. during the year (1975-76). Cash at May 2 totalled £26.94m., comprising Treasury bills £12.1m., certificates of deposit and eligible bills £10.39m., cash at bank and hand £4.23m. and sums on deposit £217,000.

In the year ended May 2, 1976, group pre-tax profit expanded from £22.75m. to £30.94m. on a turnover up from £246.94m. to £300.77m. Without the price increases made in the past two years the group would now be running at a loss, the chairman points out.

The report reveals that a payment of £20,000 was made during the year as compensation for loss of office. This went to former director Mr. Henry Porter who retired early at the end of last year. He was also chairman of the group's operating company Newcastle Breweries.

The annual report includes a statement of employment. This analyses by division and geographically the numbers employed; spells out the numbers recognised by the company; refers to the state of industry relations; the company, and staff training.

Meeting Edinburgh, August 10 at noon.

Chairman's statement, Page 23

High interest rates hit Union Discount

PROFITS of the Union Discount Company of London in the first half of 1976 show a reduction compared with the same period of 1975, reports the directors in their interim statement.

In the opening months of the year the company operated in very profitable conditions but, as a consequence of the sharp rise in interest rates, these were not maintained.

And despite an early reduction in the size and life of the portfolio, first half profits were down, members are told.

The net interim dividend is unchanged at 7.5p per share for 1975 was 17.18p paid from net profits of £20.7m.

Mr. Richard Petherbridge, senior managing director, said later yesterday that despite the sharp contrast in trading conditions between the first and second quarters, good profits were made in the half-year.

He explained that the extremely profitable first three months were a result of anticipating the sharp fall in interest rates and the decision to lend the bulk of the portfolio to begin the new year with the largest possible book. Turnover in Treasury bills was £3.5m.

However, in the second quarter MLR rose 2.5 per cent in one month. There was a time when a rise of this magnitude would have meant that the company would have to draw on reserves, said Mr. Petherbridge.

He said he no longer necessarily true. Recently we have for the most part anticipated such rises and having positioned our book accordingly have found that we can recover the immediate losses quite quickly.

"Naturally it takes longer to begin to make profits again. Such has been our experience in this second quarter," explained the managing director.

Statement, Page 20

See Lex

Outlook at Daily Mail Trust

IN THE present unsettled conditions, with restrictions on both dividends payable and receivable, the directors of Daily Mail and General Trust "will watch carefully the quality of the portfolio, endeavouring at all times to improve our revenue," states the chairman Viscount Rothermere.

As reported on July 14, net profits rose from £1.35m. to £1.45m. in the year to March 31. The dividend for 1975 was £1.04p (8.56p) net.

The company concentrated during the year on securing the good yields available from the best equity investments. Lord Rothermere tells members.

Despite dividend restrictions, revenue from the UK portfolio was £1.45m. (11.5p) net, and the overseas counterpart also showed

BOARD MEETINGS

The following companies have notified dates of Board Meetings in the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends are expected to be paid or not.

TO-DAY

Interim: Berfords, Cardinal Investment Trust, Derby Trust, "Investment in Success", Equities, Yale Cans.

Final: Burt Boulton, Commercial Bank of Australia, Dairy International, Globe and Phoenix Gold Mining, Great Universal Stores, J.C.E.G., Morgan Edwards, Peterborough Motors, Suez Canal, S.M. T. T. (UK), Western Bank, W. H. T. T. (UK), Western Bank, W. H. T. T. (UK).

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lay of £708,000. Capital expenditure has been held back for two years now and may be expected to increase during the current year, says Mr. Chidwick.

Chairman's statement, Page 20

Wiggins

Teape back

in profit

FOLLOWING a loss of £13.2m. in the second half of 1974-75, Wiggins Teape came back to profit in the first 36 weeks of the current year with a pre-tax balance of £4.66m. This compares with a profit of £10.19m. in the same 1974-75 period.

After tax and minorities the balance attributable emerges at £1.56m. against £1.13m. The company is a subsidiary of British-American Tobacco, which yesterday reported net attributable profits up from £52m. to £76m. for the half-year.

The tax charge comprises: U.K. at 52 per cent £0.88m. (£4.18m.) and overseas £2.45m. (£2.45m.). The tax charge is disproportionate as a result of losses incurred overseas which are not capable of immediate tax relief.

The amount retained in inflation reserve out of profits for the year to September 27, 1975 was £0.3m. It is estimated that the amount to be set aside in respect of the half-year to March 27, 1976 is £1.5m.

Results of International Stores (another BAT offshoot), for the 36 weeks ended March 27, 1976 reveal a sharp reduction in profits from £1.2m. to £0.38m., after interest of £0.86m. (£0.74m.). Turnover was up from £130.5m. to £144.85m.

What the security is much discussed. Sir Arthur continued, "but the survival and growth of the Group can never mean the survival of every single part of it. We aim to retain jobs in activities which are or can become competitive and to find the cash to create new jobs through investment. To do this we cannot continue to let cash drain away in activities which have no future, and this sometimes means redundancies. These are painful for all involved. Because change is necessary for survival and development, job security for all at all times is an unattainable ideal."

"My colleagues and I believe that the employees as a whole, and this includes us as managers, have more in common to unite us than to divide us. And that this common interest marches in step with the interests of shareholders and of the nation. We think that for this to become apparent to all, management must be based on the fullest practicable disclosure of facts which relate to success or failure. And all of us in management will be giving a lot of attention to this aspect of our job," said Sir Arthur.

Prospects

Trading conditions have shown some improvement over those which prevailed in the last six months of the year just ended, but looking at prospects for the first half of the present trading year there is little likelihood of being able to report results any better than those for the first half of last year. Results in that period were still showing the benefit of profitable export contracts entered into at the beginning of 1974, whereas in the current situation it is proving difficult in many areas of the business to obtain increases in selling prices even to the extent necessary to cover increased costs—and this applies in both domestic and export markets.

In the current year too, start-up costs of new projects have to be carried. Interest charges on borrowing will be higher this year. But if the special factors influencing the reported results in the two periods are excluded, there is no doubt that current trading is better than it was, and the underlying trend is encouraging.

Improved results in the second half of the year are expected. The Directors aim to give a more precise indication in the interim statement in November.

Sir Arthur concluded: "We have come through the worst recession in the post-war period in better shape than any of our major international competitors. As a result of what we have been through there is generally throughout the organisation at all levels an increasing sense of realism about what is possible. We have modern plants and the opportunities for low cost production which these offer. We have an outstanding group of managers. We have the means to handle both our problems and our opportunities."

The Resolutions for the adoption of the Directors' Report and the Accounts, for the re-election of Directors, and the payment of the final dividend on 30th July were carried at the Annual General Meeting held on July 1976.

Copies of the full Statement and of the Annual Report can be obtained from The Secretary, Courtaulds Limited, 18 Hanover Square, London W1A 2BB.

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CSR Limited's

profit nears

US \$50,000,000.

CSR Limited

CSR Limited is pleased to report a record after tax consolidated profit of US \$49.9 million (equivalent) for the year ended 31 March 1976. This was achieved despite a year of sluggish economic activity within Australia and of general depression in international trade. Group debt raising of US \$125 million was augmented by a US \$50 million share issue to finance growth plans.

1976 US \$ million 76 on 75 % change

Gross sales 1729.1 +17.4

Profit after tax 49.9 +10.3

Issued capital 148.9 +20.0

Total assets 1331.5 +19.5

Sugar

Sugar activities were again the largest contributor (US \$19.2 million) to total profit. The amount of raw sugar produced in Australia was a record despite excessive rain in many areas. World sugar stocks remained tight and the market was generally firm.

Building and construction materials

Despite some remaining softness in the Australian market, profit was US \$12.7 million, 60% up on last year's result. Cost control, some price increases and product rationalisation were the contributing factors.

Minerals and chemicals

Minerals and chemicals activities contributed profit of US \$14.5 million. Some reduction in profits from iron ore and bauxite/alumina was more than made up by increased profits from coal.

CSR Limited

1 O'Connell Street, Sydney, Australia, 2000.

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INTERIM STATEMENT



Points from the Interim Statement for the six months ended 30th April 1976

The Group made a profit before tax of £2,358,836 compared with £1,838,847 for the comparable period of 1975 and £4,033,038 for the year to 31st October 1975.

Statement by The Chairman Sir David Brown

Aircraft & Shipbuilding Industries Bill has still not yet reached a Statute Book and the state of uncertainty referred to in my previous statements still persists. Against this background the continued growth in your Company's Turnover, Profits and Net assets is most satisfactory.

Throughout the two years since the Government announced its intention to nationalise the Shipbuilding Industry your Directors have consistently expressed their opposition. The many problems which the Bill has encountered during its progress through Parliament reinforce my view that, at least in the case of the shipbuilding industry, this controversial legislation should be dropped in the long interest.

Directors have also taken such legitimate steps as are open to them to secure some improvement of the grossly unfair compensation terms proposed in the Bill but the Government has remained firm in its insistence on being compensated on a hypothetical exchange of shares quotations of a period, now totally irrelevant, which ended nearly 2½ years ago. If these proposals become law, inevitable consequences will be the virtual confiscation of a large part of the assets of the Group.

Despite the uncertainties inseparable from the political and economic situation which make forecasting more than ever difficult, Directors expect that the profit for the year to 31st October, 1976, will exceed that of the previous year. They have therefore right to expect to pay by way of interim dividend one half of the amount permitted by the Treasury for the full year and it would be an intention, in the absence of unforeseen circumstances, to recommend a final dividend of a similar amount.

	Six Months ended 30th April 1976	1975	Year ended 31st October 1975
Turnover	£48,881	£5,787	£2,000
Profit before Taxation	2,358	1,838	4,033
Profit after Tax	1,038	538	1,582
Dividends	124	90	228
Return to Fixed Assets	838	588	1,588
Dividends per share	17.20p	8.5p	32.85p

A SUBSIDIARY OF DAVID BROWN HOLDINGS LIMITED

CLEDON & LAMBERTS

CHANGED TO "DURAPIPE INTERNATIONAL LTD."

16th Annual General Meeting, Jones & Co. Ltd. whose operations were satisfactory. The following are the plans for further capital expenditure. This is needed to effect a range of new products now being introduced to the market, as well as to increase overall capacity, as well as to introduce more efficient and cheaper methods of production. Your Board will continue to strive for ever-increasing profits, believing that this is the only way to ensure the maintenance of the Group's growth.

No doubt you will detect in this statement an air of confidence about the future and a determination on the part of your Board to continue, and if possible to accelerate, the rate of growth already achieved. That, indeed, is our aim.

At a subsequent Extraordinary General Meeting, the name of the company was changed to "Durapipe International Limited", changed Articles of Association adopted and the existing 100,000 Redeemable Cumulative Preference Shares of £1 each were sub-divided and converted into unissued ordinary shares of 25p each.

CAPITAL GAINS TAX

Computations now due

Extel has provided all the data for the years ending 5th April, 1976, to current subscribers.

Couldn't it make sense for you to take this most reliable service - NOW?

Extel Statistical Services Limited
37/45 Paul Street, London EC2A 4PB
Phone: 01-253 3400
Telex: 23721

Tokyo Pacific Holdings N.V.

Tokyo Pacific Holdings (Seaboard) N.V.

Report as of 30th June 1976 has been and may be obtained from:

- Idring & Pierson N.V., 1206-214, Amsterdam
- Sal. Oppenheim Jr. & Co., Unter Sachsenhausen 4, 5 Köln
- Trinkaus & Burkhart, Königswilhelms 17, Düsseldorf 1
- Banque de Paris et des Pays-Bas, 3 rue d'Artois, Paris 2
- Boulevard Emile Jacquemin 162, Bruxelles
- Banque de Paris et des Pays-Bas, pour le Grand-Duché de Luxembourg, 10a Boulevard Royal, Luxembourg
- International Pacific Corporation Limited, Royal Exchange Building, 55 Pitt Street, Sydney N.S.W. 2000

BIDS AND DEALS

Ruberoid acquiring Malit—and cash

Ruberoid, the building and paper products manufacturer, is making a £271,000 bid for Malit Securities, the investment trust from which Mr. Tony Buckley resigned as investment adviser in April.

Terms are four Ruberoid shares for every five Malit shares which, with Ruberoid closing at 25p last night, is worth 31p a Malit share.

This is, exactly in line with Malit's net tangible assets of 19p, the greater part of which are now represented by cash.

Ruberoid says the acquisition is a favourable alternative to either an equity placing or a rights issue, neither of which would be practicable at the moment as Ruberoid's share price is barely above the par value of 25p.

There are separate offers for Malit's 225,548 of convertible loan stock, which subject to the offer becoming unconditional, will be swapped for some nominal amount of Ruberoid 10½ per cent. loan stock.

The directors of Malit have accepted the offer in respect of their 2 per cent. holding of the company, as have holders of a further 28 per cent.

Mr. Tom Kenny, who is chairman of both Ruberoid and Malit, has participated in discussion but has not taken part in the vote of approval.

In December, Lubok Investments sold its 28.6 per cent. holding in Malit for £1.1m, a profit of £2.7m, which was paid at the time to have been placed with private and institutional investors.

The Malit's net worth has fallen from 29p a share to 21p, which is a further 18p per share lent to £150,000—since October 1975. Mr. Kenny attributed this fall, in his interim report last month, partly to the cost of refinancing foreign loans. He added, however, that since the Lubok sale, "investments made on the advice of investment adviser proved to be for the most part unprofitable."

Mr. Buckley, the adviser in April, ceased to act early in April.

DORCHESTER SALE

The chairman of Development Securities, Mr. J. A. Eastwood, has sent a letter to shareholders giving details of the sale of the Dorchester Hotel to Arab interests.

The deal was first announced on June 21, when it was expected to exceed £2m, of which £750,000 was received on completion on July 5, 1976. The balance will be settled following the finalisation of the value of certain assets and liabilities.

Development Securities' Board states that the sale of the shares in the Dorchester has improved the cash position of the company, but has not yet decided whether to do with the proceeds. However, the company "is not contemplating re-entering the hotel business."

Furthermore, the Board is not looking to make major investments "in businesses with a large overseas content or ones in industries with numerous similar companies which are large employers of labour." There is also no intention of merging Dorchester with Newarthill, the holding company for Sir Robert McAlpine and Sons, the latter retaining control of Development Securities.

WESTFORTH ELECTRICAL

Westforth Electrical, a subsidiary of merchant bankers Keyser Ullmann, is to make an unconditional offer to acquire the 24.84 per cent. of the capital of Westforth Electrical and Automation that it does not already own, at 15p per share. Proposals are also to be submitted to holders of the 270,198 outstanding of 7½ per cent. Convertible Unsecured Loan Stock, 1968-69, for redemption at 80p per cent, plus accrued interest.

Directors of Westforth, accounting for 45,068 shares in the company, and investment trusts managed by Keyser Ullmann—with a further 294,368 shares, intend to accept the offer. A recommendation by the independent directors of Westforth for other shareholders to accept will be sent out, along with the offer document and circular to loan stock holders. The latter will be advised by the Westforth Board to accept the proposals; holders of £30,000 of the stock have already indicated that they will.

in the East of England. Consideration for the deal is £1,025m, plus the amount, not exceeding £150,000, by which the net profit before tax of Kingsbury for the year ending February 28, 1977, exceeds £250,000. In the year to February 28, 1976, Kingsbury made pre-tax profits of £270,884.

A statement from Combined English, which recently had Mr. R. W. "Tiny" Rowland, the chief executive of London, join the Board, said that the acquisition "will establish the group's presence in an important growth sector of the retail trade."

WAITE & SON
The Fairmont offer for Waite and Son has been accepted by holders of 2,878,883 Ordinary shares. It is unconditional and remains open until August 18.

WILLIAM BAIRD
The offer for Thomas Marshall & Sons, which has been accepted by holders of 1,000,000 shares, is unconditional (acceptances now

Welfare will not increase K & H offer

Welfare Insurance says it can see no reason to increase its 80p a share offer for property group K & H.

In a letter to K & H shareholders, Mr. Lewis Whyte, chairman of Welfare, says the offer, made at the beginning of June, represents a generous increase over the company's view of K & H's net tangible assets.

After two independent valuations of the K & H property portfolio, Welfare believes the company's net asset value per share is not more than 62p. The K & H figure is 110p, which is a further 18p per share lent to £150,000—since October 1975. Mr. Kenny attributed this fall, in his interim report last month, partly to the cost of refinancing foreign loans. He added, however, that since the Lubok sale, "investments made on the advice of investment adviser proved to be for the most part unprofitable."

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Chesterfield Properties

From the circulated statement of Mr. Harold H. Wingate (Chairman):

Your Company is making progress in spite of the general economic background, which remains sombre. The directors recommend a total dividend for the year of 3.25164p per share (2.97683p last year). The rise in rental income resulted both from the lifting of the rent freeze early in the year and from the letting of developments completed in 1974 and 1975. Further significant increases in rental income in the future will come from rent reviews and lease renewals.

The sale of two properties has reduced short term borrowing in the U.K. from approximately £8 million to £2 million, the saving of interest exceeding loss of rental income by approximately £200,000.

After completing its letting programme, Chesterfield Ronson started disposals during 1975. Following settlement of litigation, certain significant and profitable transactions will release your Company from its guarantees, leaving a profitable and essentially risk-free investment portfolio on the Continent. The short-term borrowings of the Company's overseas subsidiaries have been reduced by approximately two-thirds.

Your Company owns a portfolio of investments which has maintained its value and has a potential for future growth.

Annual General Meeting: 21st July 1976.

Copies of the Report and Accounts can be obtained from the Secretary, 38 Curzon Street, London W1Y 8EY.

Scottish & Newcastle Breweries Limited

'Turnover and pre-tax profits both at record levels'

Extracts from the statement by the Chairman, Mr. P.E.G. Balfour, issued with the annual report and accounts for the 53 weeks ended May 2, 1976.

It is very satisfactory for the first time for two years to be able to report an increase in group turnover and profit before tax, both at record levels.

Beer and lager sales
The main strength of the Company lies in its sales of beer and lager, particularly in the free trade.

Whilst your Company's sales products have strengthened their place in the market, we have been concerned that we have not yet been able to attain what we consider to be our proper share of the fast-growing lager field. For a Company largely relying on the free trade one-lager product is not enough. The introduction of Kronenbourg, through our partnership with Harp Lager Limited, gives us a more complete range of products and we are confident that we can improve our position.

With the agreement of our partners in Harp Lager Limited, we are test marketing our own brand, McEwan's Lager, in north-east Scotland, so far with excellent results.

Financial position of the Company
Your Company is now in a stronger position than it was a year ago. Short-term borrowings have been reduced and working capital requirements kept under control: £23m of 4½% Debenture has matured and been repaid. Spending on fixed and other assets for the year at £12m was contained within cash flow, and our plans have not yet matured to a point where it has been found necessary to draw down any of the proceeds of the rights issue. The final results have benefited by the reductions in interest paid and the substantial inflow of income from funds invested in the money market.

Capital expenditure
Our capital expenditure during the last year has been at a lower rate than was intended. During 1974 and much of 1975, when inflation was increasing at an extremely rapid rate and wages and salaries were moving in step, it seemed prudent to conserve the resources of the Company against an unknown future by cutting back capital expenditure as far as possible. The reduced expenditure in 1975-76 was a result of decisions taken in 1974-75. In the short run this cutback in expenditure was necessary but in the long-term if equipment is used beyond its proper life then the value of a business, and the shareholders stake in it, is reduced.

What is further exemplified is the length of the planning cycle when capital expenditure is being considered. British industry is much criticised at this moment for failure to invest. Current lack of investment reflects the situation as it was two or more years ago. The effects of a decision to invest now will not be seen for at least two years. To plan expenditure over a long period requires confidence that there will be continuity on the part of Governments of whatever colour as regards fiscal policies, taxation, legislation, and economic planning. Unless there is confidence in this continuity there will be little investment.

During the course of the next few years we anticipate an increasing rate of expenditure on new commercial vehicles and equipment and the improvement of our licensed estate, together with further loans to our customers in support of free trade. We hope to start in the current year the building of a new depot at Dundee as well as the improvement and enlargement of other depots. We are making further investment in computer equipment, reorganising a part of our wine and spirit distribution system, as well as increasing output and warehousing at our distilleries.

The greater part of our future investment is concerned with the renewal and extension of packaging systems at our main production centres. An examination of the problems involved has shown us that they will require more radical solutions than we had previously thought. The resultant changes are likely to affect the pattern and shape of our Company for the next 15 to 20 years, and will, therefore, be concerned with the whole question of future marketing and production requirements.

We are in a position to plan this capital expansion programme confident in the knowledge that the funds are available from the rights issue.

Managed public houses
The profits of Managed Houses have increased due to more imaginative and efficient management. We have continued our policy of disposing, either by sale or to tenancy, of those public houses where the overheads do not justify management by the Company.

Hotels
Our hotels have made continued progress and are now once more in profit. They have thus made a remarkable recovery from the low point of 1974, and we anticipate further progress this year.

Waverley Vintners
In the wine and spirit business, our own and agency brands are gaining in popularity. We believe that we can continue to increase our market share.

Exports
Exports of beer and whisky have been at record levels and are now making a larger contribution to group profits.

Simi winery
In view of the lack of success, the increasing commitment of management, and the fall in the value of the pound, the Board decided to dispose of the operation, and the winery was sold to Schieffelin and Co. of New York.

Management
Whilst decision making can be improved and made easier by the involvement of employees, in the end it is the managers concerned who have to be accountable for the decisions taken.

The present levels of remuneration in the Company, restricted as they are by the counter-inflation legislation, do not take account of this responsibility. It is quite easy to bring any Company to a halt, but to keep it going and make it grow requires the skill and dedication of the management team. This skill and dedication has been given unsparingly by all levels of managers in Scottish & Newcastle Breweries, and I hope that future legislation will allow this adequately to be recognised.

The future
In the long term I am sure that plans now being laid to improve our productive and distributive capacities, the new brands being introduced, and the general improvement in morale and relationships within the Company, give the assurance of a continued improvement in your Company's future prosperity.

I should like to thank all employees who have contributed to this happier state of affairs.

Results at a glance

	1976	1975
Profit before taxation	£30,938	£22,748
Earnings after taxation	14,811	10,860
Earnings per share	5-61p	4-74p
Ordinary dividend per share	2-77p	2-52p

Copies of the annual report and accounts and the full Chairman's Statement can be obtained from the Secretary, Scottish & Newcastle Breweries Limited, Abbey Brewery, Holywood Road, Edinburgh EH8 8YS.

MOLINS LIMITED

Continued

PROCEEDS OF ISSUE AND WORKING CAPITAL

Of the 8,600,000 ordinary shares comprised in the Offer for Sale 5,400,000 are new ordinary shares being issued by the Company for cash. The proceeds of the issue of these shares, after deducting the expenses of the Offer for Sale payable by the Company, are estimated to amount to £6,030,000 and will be used to reduce borrowings, fund certain capital expenditure and meet working capital requirements.

Taking into account the net proceeds of the issue of new ordinary shares and the bank facilities available to the Group, the Directors are of the opinion that the Group has adequate working capital for its current requirements.

PROFITS AND PROSPECTS

The Accountants' Report set out below shows the results of the Group for the five financial years ended 31st December, 1975. From this it will be seen that in respect of continuing activities, between 1971 and 1975, Group turnover increased from £32.7 million to £81.4 million, and profits before taxation and extraordinary items from £2,690,000 to £8,717,000, representing a trading profit for 1975 of £10,426,000 before charging interest of £1,709,000. This trading profit has been earned as to £8,161,000 from the manufacture and sale of tobacco machinery and as to £2,265,000 from the manufacture and sale of paper and board converting machinery.

Turnover from the manufacture of tobacco machinery has grown in each of the last five years with the exception of 1972 when an industrial dispute at the two main U.K. factories halted production for nearly ten weeks. This period saw the successful introduction of new products, particularly the Mark 9 generation of cigarette makers in the U.S.A. market from 1973 onwards. Trading profit before interest has increased from £2,409,000 in 1971.

Turnover from the manufacture of paper and board converting machinery was, until the acquisition of Langston in 1974, provided mainly by MST. That company has been adversely affected by low demand for capital equipment for the international paper and board converting industry since 1972: it has made trading losses in three out of the last four years and losses are continuing in 1976. In 1975 Langston, in its first full year as a member of the Group, made a significant contribution to the Group's results and is continuing to do so in 1976.

In view of the importance of its overseas business, it is the Group's policy to ensure that its U.K. operations retain their ability to compete effectively in international markets by controlling costs and increasing manufacturing efficiency. In accordance with this policy, there was during 1975 a reduction of some 800 in the number of employees in the U.K.; the compensation payments for loss of employment, amounting to £783,000 in respect of 530 employees, were more than balanced during that year by reduced costs. The effort to contain costs and improve efficiency continued in 1976 and during the six months to 30th June, 1976 the number of employees in the U.K. fell by about a further 300.

Group turnover for the six months to 30th June, 1976 is estimated at £43 million, compared with £38.2 million for the comparable period in 1975. Having regard to this turnover, unaudited management accounts and the current order and production position, and on the basis of the assumptions set out in "Statutory and General Information" below, the Directors forecast, subject to unforeseen circumstances, that the Group profit before taxation for the year ending 31st December, 1976 will be of the order of £9 million including the interest saved or earned on the net proceeds of the issue.

Steps are being taken to increase MST's manufacturing efficiency, to improve its product range and to reduce its costs per unit of output. Its return to profitability, however, depends on a revival in the demand for capital equipment from the paper and board converting industry. At Langston there is substantial investment in the improvement and expansion of production facilities with a view to meeting the growth anticipated in the demand for its products.

At present demand from the U.S.A. for new tobacco machines is past its recent peak. However, in view of increasing demands for new tobacco equipment from the rest of the world, the introduction of a new generation of products, the growth in the demand for spares and continuing improvements in operational efficiency, the Directors look to the future with confidence.

DIVIDENDS AND APPROPRIATION OF PROFITS

On the basis of the above forecast, U.K. corporation tax at the rate of 52 per cent., and current rates of overseas taxation, it would be the Directors' intention to recommend total net dividends in respect of each ordinary share of 6.5p, of which 2.0p would be payable as an interim dividend in November, 1976 and 4.5p as a final dividend in May, 1977. The following table illustrates the appropriation of profits on this basis:

	£'000
Profit before taxation	8,760
Interest saved or earned on the net proceeds of issue of 5,400,000 ordinary shares	250
	9,000
Less: Taxation	
U.K. (mainly deferred)	2,167
Overseas (all payable)	2,169
	4,336
Profit after taxation	4,664
Less: Minority interests	59
Profit attributable to the members of the Company	4,605
Preference dividend	38
Profit attributable to ordinary shareholders of the Company	4,567
Proposed ordinary dividend	1,805
Retained profit	2,762
Cover for ordinary dividend	2-4 times

On the basis of the weighted average number of ordinary shares which will be in issue during 1976, taking into account the ordinary shares now being issued, the forecast earnings per share are 17.5p and on the basis of the number of ordinary shares which will be in issue following this Offer for Sale they are 15.0p.

On the basis of earnings per share of 15.0p and total net dividends of 6.5p, the ordinary shares of the Company are being offered for sale on a price earnings ratio of 7.7 and on a gross dividend yield of 8.3 per cent.

ACCOUNTANTS' REPORT

The following is a copy of the Report by Messrs. Peat, Marwick, Mitchell & Co. addressed to the Directors of the Company and to Hill Samuel & Co. Limited:

The Directors,
Molins Limited,
2 Evelyn Street,
London SE8 5DH
Hill Samuel & Co. Limited,
100 Wood Street,
London EC2P 2AJ
Gentlemen,

We have examined the audited accounts of Molins Limited ("the Company") and of its subsidiary companies for the periods relevant to this report. Those accounts were prepared under the historical cost convention adjusted for valuations of U.K. land and buildings. The Company and its subsidiaries are collectively referred to as "the Group". We have acted as auditors of the Company, and as auditors or joint auditors of all its subsidiaries, except Molins (Australia) Pty. Limited, in respect of all the relevant accounting periods.

The summarised profit and loss accounts and balance sheets set out below are based on the audited accounts after making such further adjustments as we consider appropriate. In our opinion these summaries together with the notes thereon give, under the convention stated above, a true and fair view of the profits of the Group attributable to the Company and of the source and application of funds for the periods stated and of the state of affairs of the Company and of the Group at the dates stated.

No audited accounts of the Company or any of its subsidiaries have been made up in respect of any period subsequent to 31st December, 1975.

PROFIT AND LOSS ACCOUNTS

	Notes	1971	1972	1973	1974	1975
Turnover		£'000	£'000	£'000	£'000	£'000
Continuing activities						
Tobacco machinery		23,801	23,803	38,249	41,372	54,215
Paper and board converting machinery		8,789	5,572	5,736	11,950	27,183
Operations since disposed of, or terminated		856	871	870	461	—
		33,546	30,246	44,855	53,783	81,378
Cost of sales, overheads and interest		31,397	28,315	37,604	46,855	73,275
Profit before taxation and extraordinary items comprising	2-6					
Continuing activities		2,890	2,369	5,801	6,880	8,717
Operations since disposed of, or terminated	7	(541)	(468)	(550)	48	—
Exceptional item	8	—	—	—	—	(814)
		2,149	1,931	5,251	6,928	8,103
Taxation	9	487	639	2,516	3,231	3,857
Profit after taxation and before extraordinary items		1,662	1,292	2,735	3,697	4,246
Minority interests	10	187	(85)	49	76	52
Profit before extraordinary items		1,475	1,377	2,686	3,622	4,194
Extraordinary items after taxation and minority interests	11	—	84	276	—	—
Profit attributable to the members of the Company		1,475	1,293	2,410	3,622	4,194
Preference dividend	12	54	54	38	38	38
Profit attributable to ordinary shareholders of the Company		1,421	1,239	2,372	3,584	4,146
Ordinary dividend	12	234	172	210	226	243
Retained profit		1,187	1,067	2,162	3,358	3,903
Earnings per ordinary share based on						
(a) Unadjusted profits	13	5.4p	8.0p	11.3p	15.1p	17.3p
(b) Adjusted profits	13	7.7p	7.1p	12.6p	14.9p	18.6p

BALANCE SHEETS

The Company	Notes	1971	1972	1973	1974	1975
31st December		£'000	£'000	£'000	£'000	£'000
Fixed assets:						
Land and buildings		5,560	5,564	5,008	5,289	7,032
Plant, machinery, equipment and motor vehicles		4,579	4,754	4,828	5,183	9,858
		10,139	10,318	9,836	10,472	16,890
Investment in subsidiaries	14	—	—	—	—	—
Unquoted investments	15	253	93	84	136	174
Current assets:						
Inventories		14,413	12,547	14,076	16,886	28,283
Debtors		8,007	7,778	9,765	13,990	16,441
Cash and short term deposits		601	3,448	3,421	1,637	1,856
		23,021	23,773	27,262	32,513	46,580
Current liabilities:						
Creditors		6,207	4,635	6,082	9,154	11,497
Bank overdrafts and acceptance credits (partly secured)	17	2,613	397	397	618	958
Taxation		457	825	814	1,825	1,462
Dividends		—	234	172	210	243
		9,267	5,891	7,575	11,807	14,168
Net current assets		14,434	17,882	19,687	20,806	32,412
Loans (partly secured)	18	(4,187)	(6,853)	(6,805)	(4,854)	(13,393)
Deferred taxation and grants	19	(829)	(824)	(823)	(1,703)	(2,897)
Minority interests		(2,784)	(2,777)	(2,975)	(404)	(501)
Net tangible assets attributable to members of the Company		17,086	17,839	19,202	24,560	27,457
Representing:						
Share capital		3,240	3,240	3,240	3,711	3,735
Share premium account		1,555	1,555	1,529	1,529	1,555
Reserves	20	12,828	14,598	15,962	19,320	22,177
		17,086	17,839	19,202	24,560	27,457

NOTES

Accounting Policies

1. The foregoing summaries of profit and loss accounts and balance sheets reflect the application of the following significant accounting policies on a consistent basis throughout the period under review:

- The accounts of the Group comprise the accounts of the Company and its subsidiaries.
- Assets and liabilities in foreign currencies have been converted into sterling at the rates ruling at the relevant year ends. Exchange differences arising on the conversion of net assets at the beginning of the year and on non-sterling borrowings are taken direct to reserves.
- Fixed assets are shown at cost or valuation before deducting investment grants. Depreciation is calculated on cost or valuation on a straight line basis at rates estimated to write down the value of the assets to nil over their expected useful lives. The rates generally used are:

- Freehold buildings: 4 per cent. per annum on valuation or 2 per cent. per annum on cost.
- Leaseholds: Over life of lease.
- Plant and machinery: 10 per cent. per annum.
- Motor vehicles: 30 per cent. in each of the first three years, and 10 per cent. in the fourth year.

- Inventories are valued at the lower of cost, including manufacturing overheads, and net realisable value. Obsolete inventories are written off and provisions are made for excess inventories.
- Turnover is the amount charged to external customers for goods and services.
- Expenditure on research and development, patents, and repairs and maintenance is charged, as incurred, against profits.

- Surpluses or deficiencies arising as a result of the cost of acquisitions differing from the book value of net tangible assets on acquisition are taken to reserves.
- Deferred taxation is calculated at current taxation rates for the relevant years and takes account of the following:

- the amount by which the book value of the fixed assets which qualify for tax allowances exceeds their written down value for tax purposes;
- the amount of provisions in respect of which taxation relief will be deferred until later accounting periods;
- the amount of stock relief arising under the 1975 Finance Acts and the 1976 Finance Bill;
- the amount by which the valuation of U.K. properties at 31st December, 1975 exceeds the base cost of those properties for the purposes of taxation of capital gains.

- Investment grants are credited via the taxation charge over a ten year period on a straight line basis.

Notes on Profits

	1971	1972	1973	1974	1975
£'000	£'000	£'000	£'000	£'000	£'000
Profit before taxation is arrived at:					
After charging:					
Depreciation	7,008	1,107	1,103	1,188	1,446
Hire of plant	228	120	186	250	240
Interest on loans not repayable within 5 years	433	481	222	118	219
Interest on bank and other short term loans repayable within 5 years	138	103	388	390	1,806
Compensation to staff for loss of employment	—	—	—	—	283
After crediting:					
Interest receivable	108	227	257	117	115

- Interest on loans not repayable within 5 years included interest at the rate of 7½ per cent. on £2,000,000 of loans up to 30th June, 1973 on which date they were converted into ordinary share capital.

- Profit before taxation in 1975 is arrived at after charging Directors' emoluments, including pension costs, of £131,000. Under arrangements now in force these would have amounted to £203,000. The increase largely arises from the appointment of a senior executive to the Company's board in December, 1975.

- The depreciation charge for 1975 would have been increased by £155,000 had the charge been calculated on certain property valuations undertaken as at 31st December, 1975.

- In 1974 the Group acquired the Langston Division ("Langston") of Matrix Corporation, of Cleveland, Ohio for a cash consideration of U.S. \$19,905,000.

The results of Langston included in the summary of profits are as follows:

	3 months ended 31st December 1974	Year ended 31st December 1974
Turnover	£'000	£'000
Profit before taxation	3,357	18,208
Included in the Group interest charge is interest arising on borrowings used to finance the purchase of Langston.	318	2,521

- Operations since disposed of, or terminated, comprised:
 - the South African subsidiaries, Cape Manufacturing Engineers (Proprietary) Limited and Molins-Thrissell S.A. (Proprietary) Limited, prior to their disposal with effect from 1st January, 1975;
 - the Machine Tool Division of the Company prior to its cessation of trade in October, 1973.

- The exceptional item comprised a provision in 1975 for an agreed payment made in 1976 on termination of a contract entered into in 1969. This related to a discontinued development project.

- Taxation

	1971	1972	1973	1974	1975
£'000	£'000	£'000	£'000	£'000	£'000
Corporation tax based on profits of the year	647	378	161	163	822
Relief on losses brought forward	(286)	(75)	—	—	—
Double taxation relief	(48)	(108)	(93)	(105)	(922)
	313	195	68	48	—
Overseas taxation	286	413	980	1,448	2,122
Transfer to deferred taxation	223	72	1,067	1,341	1,842
National tax charge on change of basis in inventory valuation	(228)	38	582	433	—
Transfer from investment grants equalisation	(107)	(97)	(101)	(106)	(107)
Irrecoverable ACT written off	—	18	—	—	—
	487	639	2,516	3,231	3,857

- Minority interests

During the five years ended 31st December, 1975 the Company's subsidiaries were wholly owned with the following exceptions, where the percentages of equity held were as follows:

	1971	1972	1973	1974	1975
£'000	£'000	£'000	£'000	£'000	£'000
Molins Scott Thrissell Limited ("MSTL")	(i) 54.8%	54.8%	100%	100%	100%
Molins of India Limited ("Molins India")	(ii) 55.4%	55.4%	50.8%	50.8%	50.8%

- In 1973 the Company acquired for a cash consideration of £1,800,000 the minority interest in MSTL. The Group consolidated accounts for 1973 included the results of MSTL for the full year.

- At the end of 1972, following an issue of new shares, the Company's interest in Molins India was reduced from 55.4 per cent. to 50.8 per cent.

The minority interests included in the summary of profits comprised:

	1971	1972	1973	1974	1975
£'000	£'000	£'000	£'000	£'000	£'000
MSTL	194	(124)	—	—	—
Molins India	23	39	49	75	82
	187	(85)	49	75	82

31. Extraordinary items after taxation and minority interests relate in 1972 to capital profit on disposal of fixed assets, arising out of the rationalisation of a subsidiary's assets and in 1973 to the closure of the Machine Tool Division (£276,000).

12. The rates of dividend paid during the period under review were as follows:

In respect of year ended 31st December	Preference	Ordinary
	%	%
1971	6.8	10.58
1972	6.8	7.38
1973	4.2*	7.46
1974	4.2*	8.94
1975	4.2*	8.94

- Dividends marked * were payable under the imputation system of taxation at shareholders were entitled to a tax credit at the relevant standard rate of income.
- In respect of the year ended 31st December, 1974 £2,051.41 "A" non-voting shares were issued as a scrip dividend in lieu of cash as part of the 1974 dividend.

- The calculations of earnings per ordinary share are based on (a) the profit before ordinary items, and (b) the profit before extraordinary items after excluding the amounts to operations disposed of or terminated and the exceptional item, and in both cases after interest paid on the loan stock which was converted in 1973 and after deducting the dividend. The number of shares in issue has been adjusted to take account of the conversion loan stock in 1973 and the proposed changes in share capital immediately prior to the last ordinary shares for cash in the Offer for Sale.

The calculations have been based on the following earnings and ordinary share capital:

Year to 31st December	Earnings	Ordinary shares of 25p
	(a) £'000	(b) £'000
1971	1,511	1,834
1972	1,413	1,893
1973	2,698	2,979
1974	3,584	3,538
1975	4,146	4,441

Notes on Balance Sheets

- The fixed assets of the Company and of the Group at 31st December, 1975 were as follows:

The Company	The Group
Cost or valuation	Cost or valuation
£'000	£'000
Land and buildings	77,425
Plant, machinery, equipment and motor vehicles	15,320
	92,745
Investment in subsidiaries	1,805
Unquoted investments	1,805
	17,885
	110,630

Land and buildings comprise the following:

The Company	The Group
Cost	Cost
£'000	£'000
Freehold	7,767
Short leasehold	181
	7,948

- The valuation relates to a professional valuation of U.K. land and building December, 1975 made by George Head & Co., Chartered Surveyors, on market value, existing use basis.

GOLD MARKET

NEW YORK July 21.

DOLLAR

Index of dollar change in U.S. dollar value of foreign currencies against the U.S. dollar, 1973-1980.

Source: Federal Reserve Board.

Year	Index
1973	100
1974	105
1975	115
1976	110
1977	105
1978	125
1979	115
1980	95

SPECIAL DRAWING		
RIGHTS RATES		
OneSided to	July 21	July 2
request to	0.641418	0.64226
U.S. dollar...	1.14352	1.14311
Belgian franc...	3.94155	45.476
Deutschemark...	2.94251	2.9450
French franc...	955.383	5.605
Italian lire...	3.2523	53.22
Japanese yen...	3.12755	3.12776
Swiss franc...	5.11634	5.1157
Swedish krona...	0.6794	2.836

Values are for currencies against SDR as calculated by the International

	Brussels	London	Amsterdam	Zurich
1-24	5,477-24	4,240-597	94,32-04	134.6
2-24	5,213-62	4,152-292	95,57-19	134.6
3-24	12,215-460	9,767-88	100,42-33	134.6
4-24	10,936-11	8,711-85	94,28-06	134.6
5-24	8,574-95	6,711-85	94,28-06	134.6
6-24	8,574-95	6,711-85	94,28-06	134.6
7-24	8,574-95	6,711-85	94,28-06	134.6

5.—9-24-60 4,440-05 (London cont.)
 10-24-60 4,440-05 (London cont.)
 11-24-60 4,440-05 (London cont.)
 12-24-60 4,440-05 (London cont.)

CREDIT RATES*

Country	Direct	W. Germany	Switzerland
Canada	100.00	100.00	100.00
France	100.00	100.00	100.00
Germany	100.00	100.00	100.00
Italy	100.00	100.00	100.00
Japan	100.00	100.00	100.00
Netherlands	100.00	100.00	100.00
Sweden	100.00	100.00	100.00
Switzerland	100.00	100.00	100.00
U.S.A.	100.00	100.00	100.00
U.K.	100.00	100.00	100.00

[illegible]

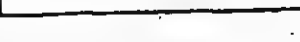
* Investment premium based on \$3.60 per £1—104% (104½%)

[illegible][illegible]

(continued)

July 21

New Sov'rgn	\$40.14	42 1/2	23
	\$22.14	43 1/2	100
Old Sov'rgn	\$38.14	40 1/2	
	\$21.14	42 1/2	
Gold Coins (Internat'l)			
Krogerland	\$115.14	42 1/2	23
	\$55.00		100
New Sov'rgn	\$41.43		23
	\$23.43		100
Old New Yng	\$34.43	38 1/2	23
	\$19.43	40 1/2	100
and Teller	\$150.100		



FOREIGN EXCHANGE

July 21 1956	Bank Rate %	West Day's Spread
New York	8 1/2	1.780-1.785
Montreal	8 1/2	1.785-1.790
Amsterdam	8	4.404-4.408
Brussels	7	70.29-71.25
Frankfurt	8	11.90-11.95
London	8	5.204-5.211
Madrid	7 1/2	12.1-12.10
Netherlands	12	1.407-1.408
Oslo	8	8.51-8.52
Paris	8	8.714-8.717
Stockholm	8	7.957-7.961
Switzerland	8 1/2	105-106
Zurich	8	4.424-4.427

* Based on American Express rates.
 † Based on Bank of Montreal rates.

OTHER MARKETS

• Argentina 294.87-298.47
 Australia 1.073-1.045
 Brazil 75.15-75.20
 Finland 8.85-8.95
 France 24.25-24.245
 Hong Kong 9.700-9.705
 India 226.25
 Korea 2.54-2.57
 Luxembourg 78.56-77.15
 Malaysia 2.458-2.475
 Mexico 1.17-1.182
 Netherlands 1.21-1.21
 Singapore 4.625-4.620
 S. Africa 2.4-4.191
 U.S. 1.5-1.5
 U.K. 1.51-1.5
 Germany 782.75-782.75
 Japan 1.51-1.5

• Basic discount 1.51
 • Rate given in
 BGRA title 1.51-1.51

FORWARD RATES

New York	1.23-1.12	pm	1
Montreal	0.60-0.50	c per	1
Amsterdam	24 1/2	in c per	1
Bremen	22-5	c per	1
Copenhagen	5-1	c per	1
Hamburg	24-24 1/2	pl per	1
London	50-150	c per	1
Madrid	70-100	c per	1
Mexico	8-10	hrs per	1
Osaka	5-5	c per	1
Paris	21 1/2	kg c per	1
Stockholm	24-2	c per	1
Vancouver	40-20	gm per	1
Zurich	24-24 1/2	c per	1

Six-month forward U.S. d
per and 12-month 12.70-12.80

JOHANNESBURG MINES

July 31
Anglo American Corp
Consolidated

East Driefontein
Elburg

EXPORTS
Polysulfonate Plastics
S. Nephin
South Vial
Gold Flake SA
Usono Chemicals
De Beers Delecto
Electroblast
East Hand Pyl
Free State Gold
President Brand
President Broyn
Wellman
West Driefontein
Western Holdings
Western Deep

INDUSTRIAL
African Explosives, and Chem
Anglo-Alpha Cement
Anglo-Amor. Industrial
Anglo-Transvaal Industries
Associated Furniture

Barloworld	20 000 000 000
CNA Insurance	20 000 000 000
Carlife Finance	20 000 000 000

D&S Seeds (Canada) ☐
 Edgar, Consolidated ☐
 Edgar, Stone ☐
 Ever Ready SA ☐
 Federal Vehicle Components ☐
 Gies and Sons Development ☐
 Greuter and Stone ☐
 Habets ☐
 Nedraal ☐
 N. K. S. S.A. ☐
 Overstone Investments ☐
 Premier Mullins ☐
 Pretoria Cement ☐
 Rembrandt Group ☐
 Sage Holdings ☐
 SAPPi ☐
 C. G. Smith Sugar ☐
 Sorob ☐
 SA Breweries ☐
 Tiger Oats and Nat. Mills ☐
 Unisac ☐

SPAIN ♥
 July 21
 Asland ☐

Banco Lopez Quesada...
Banco Bilbao
Banco Atlantico (1.000)

Banco Central	1250
Banco Exterior	
Banco Hispano	
Banco Granada	(1,000)
Banco Hispano	
Banco Iberico	
Indubanco	
Banco Ind. Cat.	(1,000)
Banco Mercantil	(1,000)
Banco Occidental	
Banco Popular	
Banco Santander	(250)
Banco Uruguay	(1,000)
Banco Vizcaya	
Banco Zaragozano	
Bankunion	
Banco de Galicia	
Altes Hornos	
Babcock Wilcox	
CIC	
Dragados	
Imperial	
E. A. S. S. S.	
Spanosela Zinc	
Expl. Rio Tinto	

Fecsa (1,000)
Fecsa (1,000)
Finanzauto SA

Finanzauto Servicios ...
 Gal. Preclados
 Gerardo Velazquez (#60)
 Hildegarde ...
 Ubrides ...
 Motor Iberica ...
 Olarra ...
 Pánelas Remudas ...
 Petrolib ...
 Petrolitos ...
 Sarrio Papalera ...
 Salco ...
 Sotades ...
 Tarras ...
 Tarras Hostench ...
 Tabacaz ...
 Union Elec ...
 Union y Fenix ...
 Urbis ...

NOTES: Overseas p
 premium. Belgian divi
 withholding tax.
 Denmark, miss
 10%
 & Fr. 10%

100 Fra.500 denom. unless
 100 Fra.500 denom. unless
 100 Fra.500 denom. unless

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 same. a Per share. f
 div. % b Assumed divi
 end/or r12. same.
 same. m % tax free. n
 shares div. p Nom. a S
 end yield candle spec
 div. m Unofficial t
 holders div. n Merger
 bid. f Traded. i Se
 of Ex v12. no Ex
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 increased.

100

1. *Chlorophyll a* (Chl *a*)



RENOWN INCORPORATED

(Kabushiki Kaisha Renown)

8,000,000 Shares of Common Stock
(par value ¥50 per share)

evidenced by European Depositary Receipts

ISSUE PRICE US \$2.06 PER SHARE

The 8,000,000 shares of common stock of ¥50 per share par value (the "Shares") of Renown Incorporated (the "Company") which are the subject of this document will be evidenced by the European Depositary Receipts (the "EDRs") issued by Robert Fleming & Co. Limited, as depositary (the "Depositary"), in the denomination of 1,000 Shares. Subject to the conditions referred to herein, EDRs may be exchanged at any time for certificates representing Shares.

The Shares will rank *pari passu* in all respects with the shares of common stock of the Company ("Ordinary Shares") in issue on the date hereof.

The Ordinary Shares are listed on the First Sections of the Tokyo and Osaka Stock Exchanges. The closing price of the Ordinary Shares on the Tokyo Stock Exchange on 20th July, 1976 was ¥644 per Ordinary Share. The Council of the Stock Exchange of the United Kingdom and The Republic of Ireland ("The Stock Exchange") has admitted all the issued Ordinary Shares to the Official List.

The authorised share capital of the Company is ¥13,500 million, divided into 270 million Ordinary Shares. Following the issue of the Shares, the issued

share capital of the Company will be ¥4,492 million.

The distribution of this document and the offering of the Shares are restricted as mentioned below.

The EDRs will be issued if and when the Shares are issued by the Company. It is expected that EDRs will be available for delivery at the office of Robert Fleming & Co. Limited, 8 Crosby Square, London EC3A 6AN, on 6th August, 1976.

At 30th June, 1976 Renown had outstanding ¥7,678 million (\$25.2 million) of short-term indebtedness (of which ¥2,108 million (\$6.9 million) was secured) and ¥4,137 million (\$13.6 million) of long-term indebtedness (all of which was secured) and was contingently liable under guarantees of indebtedness, principally of associated companies, amounting to ¥10,023 million (\$32.9 million). Save as aforesaid, at 30th June, 1976 Renown had outstanding no borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities.

The Nikko Securities Co., (Europe) Ltd. Robert Fleming & Co. Limited Pierson, Holding & Pierson N.V.

No dealer, salesman or other person has been authorised to give any information or to make any representation other than those contained in this document in connection with the proposed issue of the Shares or the EDRs, and if any person does so, such information or representation must be treated as having been authorised by the Company. The Nikko Securities Co., (Europe) Ltd., Robert Fleming & Co. Limited and Pierson, Holding & Pierson N.V. are not to be held responsible for any such information or representation.

Persons of this profession, accountancy or other kind of business who are not members of the Company are not to be held responsible for any such information or representation. The Company is not to be held responsible for any such information or representation. The Company is not to be held responsible for any such information or representation.

In connection with the issue of the EDRs, the Management has arranged for the issue of the EDRs to be evidenced by the EDRs. The EDRs will be issued if and when the Shares are issued by the Company. It is expected that EDRs will be available for delivery at the office of Robert Fleming & Co. Limited, 8 Crosby Square, London EC3A 6AN, on 6th August, 1976.

REGISTERED OFFICE AND HEAD OFFICE OF THE COMPANY	BROKERS TO THE ISSUE	LEGAL ADVISERS TO THE COMPANY	DEPOSITARY	CUSTODIAN
34-18 Jingumae 2-chome, Shibuya-ku, Tokyo.	Cazenove & Co. 12 Tokenhouse Yard, London EC2R 7AN and The Stock Exchange.	Hamada & Matsumoto Sankyo Building 6F, 6-14 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo.	Robert Fleming & Co. Limited 8 Crosby Square, London EC3A 6AN.	The Sumitomo Bank, Limited 3-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo.
AUDITORS	LEGAL ADVISERS TO THE MANAGERS	PAYING AGENTS		
Coopers & Lybrand (Certified Public Accountants), 218 Kasumigaseki Building, 2-8 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo.	Blakemore & Mitsui 912 Iino Building, 1-1 Uchisaiyama 2-chome, Chiyoda-ku, Tokyo.	Kreditbank S.A. Luxembourg 37 rue Notre-Dame, Luxembourg.	Pierson, Holding & Pierson N.V. Herengracht 214, Amsterdam	

THE COMPANY
The Company and its subsidiaries (together referred to as "Renown") distribute a wide range of men's, women's, children's, and infants' clothing, including suits, dresses, shirts, raincoats and overcoats, shirts, sweaters, trousers, casual wear, underwear, lingerie and hosiery. In addition, the Company manufactures clothing in eight plants in Japan and holds substantial equity interests in a number of other manufacturing companies, details of which are set out below under the heading "Subsidiary and associated companies".

Although in an industry as complex as the Japanese clothing industry, reliable statistics are difficult to obtain, published estimates suggest, and Renown's management believes, that Renown is the largest wholesaler of clothing in Japan.

The Company was incorporated under the Commercial Code of Japan on 25th September, 1947 under the name Sanki Eigyo Co., Ltd. by former employees of a company of the same name which had been formed to merge during the Second World War. The name was changed to Renown Shoji Kaisha, Ltd. in 1955 and to the present name in 1967. In 1968 the Company merged with Renown Industrial Co., Ltd., which had been manufacturing clothing in Tokyo since 1926. The origins of the Company's business can be traced back to an unincorporated enterprise which began wholesaling clothing in Osaka in 1906. The trade-mark "Renown" was adopted in 1923 after H.R.H. The Prince of Wales had visited Japan on the battle-cruiser H.M.S. Renown.

The consolidated net sales of Renown increased at a compound rate of 29.1 per cent. per annum between 1971 and 1975 to reach ¥131,102 million (\$430 million) in the year ended 31st December, 1975. The net income of Renown for the year ended 31st December, 1975 was ¥2,025 million (\$6.6 million).

The sales operations of the Company are mainly conducted through the Tokyo head office, the Osaka branch, ten sales offices and five sales subsidiaries.

SUMMARY OF CONSOLIDATED STATEMENT OF INCOME					
The following is a summary of the Consolidated Statement of Income of Renown for the five years ended 31st December, 1975:					
	1971	1972	1973	1974	1975
Revenue	¥8,309	¥1,378	¥1,748	¥11,033	¥132,668
Costs and expenses	48,309	51,378	59,953	107,238	428,273
Income before income taxes	1,322	1,425	5,818	5,595	4,295
Income taxes	612	732	2,828	2,062	2,599
Income from consolidated operations	710	693	2,990	1,533	1,796
Equity interest in earnings/losses of associated companies, net	(176)	(205)	333	(63)	229
Net income	534	488	3,323	1,470	2,025

RECENT BUSINESS AND PROSPECTS
The consolidated net sales and net income of Renown increased very substantially in 1973, when a period of high inflation coincided with increased margins arising from the advance purchase of raw materials by Renown. However, in 1974 the Japanese Government adopted a policy of severe monetary restraint in order to counteract the inflationary pressures originating from steep increases in commodity prices. The Japanese economy, in common with those of other industrial nations, went into a period of recession and the rate of growth in consumer spending was sharply reduced.

Against this background, net sales increased by 20.2 per cent. in 1974 and 19.8 per cent. in 1975 and, although net income fell from the exceptional level of ¥3,323 million (\$10.9 million) achieved in the year ended 31st December, 1973, it remained around three times as high as in 1972 in the year ended 31st December, 1974 and increased to ¥2,025 million (\$6.6 million) in the year ended 31st December, 1975.

Although the Japanese economy was slow to respond to the various inflationary measures taken by the Japanese Government in 1975, the management of the Company believes that the Japanese clothing industry has passed the bottom point of the recession. The management also believes that the recession has accelerated the trend in the Japanese clothing market away from traditional methods of manufacture and distribution and towards the ready-to-wear clothes marketed through more direct channels by groups such as Renown.

The results of the Company for the six months ended 30th June, 1976 are not yet available in final form. However, the management forecasts that the profit before income taxes (national and inhabitants taxes) of the Company for this period, determined on a non-consolidated basis in accordance with accounting procedures complying with the Commercial Code of Japan, will be approximately ¥2.95 billion (\$9.7 million), as compared with ¥1.55 billion (\$5.1 million) for the corresponding period in 1975.

The management of the Company is not yet in a position to predict the results for the six months ending 31st December, 1976 with any accuracy. However, on the basis of the assumptions set out under the heading "Profit forecasts" below and in the absence of unforeseen circumstances, the management believes that the non-consolidated profit before income taxes (national and inhabitants taxes) of the Company for this period will be higher than for the six months ended 30th June, 1976.

The above forecasts are based on unaudited figures and sales projections; adjustments will arise on consolidation and on the application of accounting principles generally accepted in the United States, which form the basis of the Consolidated Statement of Income shown below. Accordingly, they should not be construed as being comparable with the figures shown in that Statement.

USE OF PROCEEDS AND WORKING CAPITAL
It is the intention of the Company to use the major part of the net proceeds of the issue of the Shares, which are estimated to amount to approximately ¥4,430 million (\$15.2 million), towards financing its capital expenditure programme, the balance being used as working capital. The capital expenditure programme includes the improvement of factories in Tokyo and other cities, the expansion and improvement of the distribution centre in Tokyo, the expansion and reconstruction of office buildings, which are let to the sales subsidiaries in Kyushu and Nagoya and the purchase of an office site for the Osaka branch.

The Directors of the Company are of the opinion that Renown has sufficient working capital for its present requirements.

CAPITALISATION					
The following table shows the capitalisation of Renown at 31st December, 1975 and as adjusted to give effect to the issue of the Shares:					
	actual		as adjusted		
	Yen (million)	Dollars (thousand)	Yen (million)	Dollars (thousand)	
Short-term indebtedness:					
Short-term loans (Note 1)	5,210	17,092	5,210	17,092	
Portion of long-term debt due within one year (Note 2)	1,379	4,521	1,379	4,521	
Total short-term indebtedness	6,589	21,613	6,589	21,613	

	actual		as adjusted	
	Yen (million)	Dollars (thousand)	Yen (million)	Dollars (thousand)
Long-term indebtedness:				
Loans, principally from banks and other financial institutions, at interest rates ranging from 6.5 per cent. to 10.2 per cent., due 1976 to 2001 (Note 2)	5,806	19,036	5,806	19,036
Less: portion due within one year	1,379	4,521	1,379	4,521
Total long-term indebtedness	4,427	14,515	4,427	14,515
Shareholders' equity				
Common stock, par value ¥50 per share:				
Authorized: 270,000,000 shares				
Issued and outstanding: 81,840,000 shares (Note 3) (89,840,000 shares as adjusted)	4,082	13,417	4,482	14,728
Capital in excess of par value	3,252	11,023	7,993	24,235
Legal reserve	518	1,698	518	1,698
Retained earnings	7,311	23,970	7,311	23,970
Total shareholders' equity	15,283	50,109	19,714	64,631

Notes:
1. Represents generally short-term notes due in 60 to 90 days. In the past, Renown has experienced no difficulty in renewing such notes upon maturity.
2. See Note 4 of the Notes to the Consolidated Financial Statements for information as to collateral.
3. Includes the free distribution of 7,440,000 Ordinary Shares made on 1st January, 1976 to shareholders on the shareholders' register on 31st December, 1975. See Note 11 of the Notes to the Consolidated Financial Statements.
4. Save as disclosed above, the Company has made no issues of shares or bonds since 31st December, 1975.

DIVIDENDS
The Company has paid annual cash dividends on the Ordinary Shares in each financial year since 1959. On 30th March, 1976 the Company declared a cash dividend for the year ended 31st December, 1975 of ¥7.50 per share payable to holders of Ordinary Shares on the shareholders' register as at 31st December, 1975.

The Shares will be entitled to participate fully in any dividends paid to shareholders after the date hereof.

In the present intention of the Board of Directors of the Company to continue to recommend shareholders to approve the payment of annual cash dividends. Such payments will, however, be subject to the future earnings and financial condition of the Company and other factors, including statutory and other restrictions with respect to the payment of dividends.

Cash dividends paid on validated Ordinary Shares will, under present Japanese foreign exchange controls and authorisations, be convertible into foreign currency or free yen. Further information regarding Japanese foreign exchange controls, Japanese laws on dividends and restrictions on dividends is set out below under the heading "Japanese foreign investment and exchange controls". "A statement relating to the Shares and the EDRs" and "The Ordinary Shares".

CHANGES IN ISSUED SHARE CAPITAL					
The following table shows the changes in the issued share capital of the Company since the Ordinary Shares were first listed on the Tokyo and Osaka Stock Exchanges in July, 1963:					
Type of issue	Date	Offering price per share	Number of Shares	Ratio of Ordinary Shares issued to outstanding Ordinary Shares	Number of outstanding Ordinary Shares
Initial issue	July, 1963	¥50	8,000,000	1:0	15,000,000
Free distribution	June, 1964	—	1,000,000	1:10	16,000,000
Merger (Note 1)	February, 1968	—	16,000,000	1:1	32,000,000
Rights issue	July, 1968	¥50	16,000,000	1:2	48,000,000
Public issue	November, 1972	¥240	8,000,000	1:8	56,000,000
Free distribution	January, 1973	—	6,600,000	1:10	62,600,000
Free distribution	January, 1975	—	6,180,000	1:10	68,780,000
Public issue (Note 2)	November, 1975	¥420	6,440,000	—	75,220,000
Free distribution	January, 1976	—	7,440,000	1:10	82,660,000
The issue of the Shares	July, 1976	¥602	8,000,000	—	90,660,000

Notes:
1. The Company merged with Renown Industrial Co., Ltd., a manufacturer of clothing, in 1968.
2. The net proceeds of the public issue in November, 1975, which amounted to approximately ¥2.73 million (\$9.0 million) were applied partly to the 1975 capital expenditure programme and partly as working capital.

THE JAPANESE STOCK MARKET AND PRICE RANGE OF THE ORDINARY SHARES
The Tokyo Stock Exchange is the principal Japanese stock exchange. The most widely followed price index of stocks on the Tokyo Stock Exchange is the Nikkei-Dow Jones Average (formerly the "Adjusted Average"), an index of 225 selected stocks computed by a private corporation in a manner similar to the Dow Jones Industrial Average. In addition, the Tokyo Stock Exchange publishes the Tokyo Stock Exchange Index (the "TSE Index"), an index of the market value of all the stocks—approximately 800—listed on the First Section thereof. This following table shows the highs and lows of such indices during the periods stated.

The Ordinary Shares are listed on the Tokyo and Osaka Stock Exchanges. The following table also shows, for the periods indicated, the reported high and low sales prices of the Ordinary Shares on the Tokyo Stock Exchange in yen and translated into dollars (all adjusted for the free distributions of Ordinary Shares made at the beginning of 1973, 1975 and 1976):—											
Nikkei-Dow Jones Average				TSE Index		Price per Ordinary Share					
				High	Low	High	Low	High	Low		
1971	2,740.98	1,991.74	208.00	148.05	138	102	0.2	0.28
1972	3,207.84	2,712.31	401.70	119.93	282	120	0.87	0.80
1973	3,393.76	3,858.57	422.48	284.89	383	198	1.44	0.66
1974	4,787.56	3,395.13	542.47	251.95	338	231	2.2	1.2
1975 First Quarter	4,484.97	3,627.04	524.84	288.24	297	245	1.02	0.82
Second Quarter	4,584.52	4,365.11	532.97	316.42	370	273	1.25	0.94
Third Quarter	4,541.25	3,814.02	533.11	288.62	477	381	1.80	1.27
Fourth Quarter	4,380.42	3,670.11	523.43	290.87	556	400	1.82	1.32
1976 First Quarter	4,884.26	4,405.08	544.51	325.28	567	467	2.15	1.65
Second Quarter	4,852.13	4,408.21	557.90	327.34	730	491	2.45	1.65
Third Quarter (to 20th July)	4,866.55	4,488.49	557.95	347.07	693	631	2.33	1.18
Note: The dollar prices have been translated at the rate of exchange in effect on the dates when each such high or low price was reported, as quoted by a leading Japanese foreign exchange bank. Such rates range between											

Note: The dollar prices have been translated at the rate of exchange in effect on the date when each high or low price was reported, as quoted by a leading Japanese foreign exchange bank. Such rates range between 61 ¥ to US\$1.00 and 81 ¥ to US\$1.00.

At the close of business on 20th July, 1976 the reported price of the Ordinary Shares Tokyo Stock Exchange was ¥644 per Ordinary Share, and the Nikkei-Dow Jones Average Index was ¥4,706.81 and 347.86 respectively.

PRINCIPAL SHAREHOLDERS		
The principal holders of the Ordinary Shares appearing on the shareholders' register March 1976 were as follows:		
Name	Percentage of total Ordinary Shares outstanding (per cent.)	
The Sumitomo Bank, Limited	8.84	
The Industrial Bank of Japan, Limited	6.11	
The Dai-Ichi Kangyo Bank, Limited	3.92	
The Sanwa Bank, Limited	3.19	
Isoto Company Limited	2.78	
Mitsubishi Real Estate Company, Limited	2.44	
The Sumitomo Trust and Banking Co., Ltd.	2.41	
The Industrial Bank of Japan, Limited	1.98	
The Dai-Ichi Kangyo Bank, Limited	1.95	
Sumitomo Mutual Life Insurance Company	1.81	

The Directors and Statutory Auditors of the Company own an aggregate of 2,482 Shares of the Company, being 3.0 per cent. of its outstanding shares. The Directors are no person holding or beneficially interested in 10 per cent. or more of the issued Ordinary Shares.

The ownership and distribution of the Ordinary Shares as appearing on the share register as at 30th March, 1976 were as follows:		
	Number of Ordinary Shares held	Number of shareholders
Japanese financial institutions	28,538,298	25
Japanese securities companies	136,297	23
Other Japanese corporations	18,193,811	212
Japanese individuals	32,854,094	11,894
Foreign institutions and individuals	767,729	24
Total	81,840,000	11,938

Since the shareholders' register was closed from 1st January to 30th March, 1976, practice in Japan not normally to register transfers until the end of an accounting period, the Company is not in a position to determine the extent, if any, to which the holding of the above tables may have altered between 1st January, 1976 and the date hereof.

THE CLOTHING INDUSTRY IN JAPAN
There are a large number of businesses in Japan engaged variously in the manufacture and retailing of clothing. Methods of distribution have tended to be complex involving several intermediaries between manufacturer and retailer; there are few examples of integration. Historically, the industry concentrated on basic, high-volume products and a of suits and dresses were made to measure by tailors.

In recent years, greater emphasis has been placed on the manufacture of ready-to-wear because of increased consumer interest in less expensive and more fashionable clothing. The new market created by the generation of Japanese born after the Second World War. Further, number of companies have achieved some simplification of the complex distribution method thereby reduced costs and improved their market research.

As a result of these developments, the clothing industry is becoming an increasingly important part of the very large Japanese textile industry.

BUSINESS OF RENOWN
General
Renown is primarily engaged in distributing a wide variety of clothing ranging from suits to underwear and hosiery. Merchandise sold by Renown is divided into ten categories: ready-to-wear, men's ready-to-wear, women's and children's outerwear, men's outerwear, children's underwear, men's underwear, hosiery, infants' clothing, dressmaking fabrics and miscellaneous.

The following table shows sales in each of these categories for the years indicated					
	1971	1972	1973	1974	1975
Yen (million)					
Women's ready-to-wear	4,752	5,968	9,103	15,569	23,753
Men's ready-to-wear	1,860	4,330	8,881	12,789	18,993
Women's and children's outerwear	7,327	12,311	22,110	22,418	28,932
Men's outerwear	6,885	9,427	16,469	19,291	21,969
Women's and children's underwear	5,184	6,544	8,515	9,122	7,840
Men's underwear	6,589	6,971	10,080	10,642	10,244
Hosiery	3,862	7,979	9,296	10,608	11,579
Infants' clothing	2,903	3,362	4,343	5,432	6,195
Dressmaking fabrics	2,181	2,580	3,179	2,740	2,676
Miscellaneous	637	1,055	1,031	892	827
Total	47,200	60,527	91,017	109,403	131,107

Ready-to-wear
Ready-to-wear clothes for men and women include dresses, suits, blazers, skirts, raincoats and overcoats. Renown began to include women's ready-to-wear in its business and men's as recently as 1970. However, sales of these categories have grown steadily. In the year ended 31st December, 1975 women's ready-to-wear accounted for 18.1 per cent. of ready-to-wear for 14.5 per cent. of Renown's consolidated net sales.

Outerwear
Outerwear includes sweaters and shirts for men, women and children. In the year ended 31st December, 1975 women's and children's outerwear accounted for 20.5 per cent. and men for 16.8 per cent. of consolidated net sales.

Underwear
Lingerie, nightdresses, foundation garments and pyjamas, as well as other undergarments, are included in this category. Although this category formed the basis of the original business of Renown, its relative importance has declined in recent years and in 1975 it accounted for 8.1 per cent. of Renown's consolidated net sales.

SPORT



Tourischeva, bettered again last night by Nadia Comaneci, darling of the 1976 Olympics.

Superb Nadia wins gold

NADIA COMANECI, Rumania's remarkable 14-year-old gymnastic prodigy, won her first gold medal in the Olympic Forum last night in the individual all-around competition.

She scored 79.375 points which included two perfect 10s, and topped reigning champion Ludmila Tourischeva, from Russia, who won the bronze medal.

The silver went to another Soviet gymnast, Nelli Kim, who scored 78.575—0.05 ahead of Tourischeva.

The difference between Comaneci and Tourischeva was apparent in the second rotation, when the Rumanian scored ten on the uneven bars, Tourischeva was awarded 9.8 on the bars—and scowled like a panther.

In the third rotation Comaneci, who gave a superb performance, was given another ten on the beam, to Tourischeva's 9.85. Britain's Avril Lennox finished 35th of the 36 finalists, with 73.875.

The beaten champion, before accepting her bronze medal, to the front of the podium to kiss the gold and silver winners.

After four absorbing, if frustrating, days spent adding in the preliminaries, during which Britain has achieved little more comfort than the yachting medals from Lake Ontario, life in Montreal is suddenly perking up.

Specifically, the large British contingent here can now look forward to Saturday and to a follow-up from David Wilkie, Britain's first medal winner of these games, in the final of the 200 metres breaststroke that day.

Wilkie's Silver Medal performance in the 100 metres breaststroke was more than enough to place him second in the 200, at 3:43.50, a second in

side his own Commonwealth and European record, 9:18 inside the prevailing world record, and three-tenths of a second behind John Hencken, of the U.S., who took the gold with a new world mark of 1:03.11.

Yet Wilkie is better at 200 metres than at 100 metres. Over the longer distance his strength, finishing speed and sinuous rhythm come into their own, and a gold-medal time of around 2:47.50 is a possibility.

By Saturday, too, the three-day Olympic swimming meets will be in full swing.

Engaged to an economics graduate at the University of Miami—Wilkie is studying mass communications. He will in all likelihood retire after these Olympics, perhaps to take a job with a swimwear manufacturer.

He wants that 200 metres gold. His rivalry with Hencken is bitter. It dates from Munich in 1972, when Hencken beat him into second place in the final of the 200. Hencken owns the world records at both distances, although Wilkie scored clear victories over the American at the AAU meeting in California in April.

After presentation of the 100-metre medals, this time Wilkie sat quietly beside Hencken while the beefy American answered the 10m 100 questions of the U.S. swimming press.

"John, could you tell us what was going through your mind there in the pool? I guess I felt a little bit like a fish out of water," David Andrew Wilkie, MBE, sat through these proceedings with a disbelieving grin. He's waiting for Saturday and the big one right there—long stroke or short stroke, Hencken or no—in the 200 metres.

The walk-out of African and Arab States has obliged the Olympic Organising Committee to revise its estimate of the Games' cost. An official suggested yesterday that lost hotel and ticket revenues were likely to push the Games bill from an estimated \$99m. to around \$125m.

Twelve-dollar tickets for gymnastics, basketball, swimming and weightlifting are fetching \$60-plus, in track and field a bustling futures market is operating.

Wilkie produced a flourishing half-way through his 100 metres, when trailing Hencken by almost a second, but it was not quite enough.

Wilkie, 22, is the great loner of British swimming, to the extent that those who know him are not quite sure whether he is arrogant or shy. He is a great self-disciplinarian the one who will leave the disco and go to bed at exactly the right time, according to the British men's team coach, Dave Haller.

Wicket-keeper-batsman, with more than enough to think about already.

The odds must be on a West Indian victory, unless the wicket proves slow and very responsive to spin.

As a result of the controls, foreign currency securities are a quarter of their proceeds at

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Healey investment decision disappoints Exchange

BY MICHAEL BLANDEN

THE REFUSAL by Mr. Denis Healey, Chancellor of the Exchequer, to change the rules governing overseas portfolio investment is a disappointment to the Stock Exchange.

The decision was, however, entirely predictable given the importance of these rules in protecting the U.K. reserves.

The Stock Exchange's request for a relaxation of the 25 per cent current rule in relation to investment in foreign currency securities—which has had a serious impact on turnover in South African stocks—relates to a provision which has been a source of significant inroads to the U.K. reserves. Last year these totalled £120m.

The investment currency premium which is at the centre of the debate is a direct result of the restrictions placed on overseas portfolio investment by U.K. residents under the extensive range of controls which at present regulate movements over the exchanges.

The importance of the rules to the U.K. is underlined by a new and detailed study of the investment currency premium published today.

This calculates that if the Government decided to abandon the restrictions altogether and to abolish the premium, it would probably cost the U.K. reserves around £30m. in immediate portfolio capital outflows.

It also provides a thorough rundown of the investment currency premium and its effects on investors. Among its main conclusions it suggests that even if the pound falls no further in the next 12 months, the premium is likely to remain close to its present level of around 40 per cent.

The premium arises because under U.K. regulations, a U.K. resident wishing to use funds in this country to buy foreign currency securities can only obtain the necessary currency from another U.K. resident selling foreign currency securities.

There is, therefore, a limited pool of such currency available and with the premium generally higher than the amount available at the current spot exchange rate, the market has consistently shown a premium which has been as high as about 80 per cent.

The 25 per cent surrender rule requires sellers of foreign currency securities to exchange a quarter of their proceeds at

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worth more in the hands of U.K. citizens than of foreigners, and with the premium at high levels there has been an attraction in trading the rules in order to gain the benefit of the premium.

The study, however, puts the problem into perspective. It points out that given the vast size of the investment currency pool, it would take £50m. of the premium to make up some 15 per cent of the average U.K. portfolio.

In new figures, the study shows that there has been a substantial fluctuation in the amount of such borrowing undertaken in recent years with a peak of £897m. in 1973. It argues that total outstanding borrowing to finance overseas securities could now total some £1bn.

A major issue on the table has been the inclusion of the old overseas sterling area in the premium rules in 1972, doubling the pool of investment dollars, which has previously been dominated by North American securities, to £60m. at the time.

By far the most popular home for investment has continued to be North America, which has increased its share to 70 per cent of the total pool in April.

But examining the performance of investment in the U.S. in comparison with the U.K. over the past 18 years, the paper adds that the annual average return on U.S. equities (at current exchange rates and excluding the premium) has exceeded the return on U.K. equities by only 1 percentage point.

However, if allowance is made for the premium, the difference becomes 5.3 per cent, so that an investment in the U.S. has comfortably outstripped its counterpart in the U.K. since 1962.

The study adds, though, that a wider margin will be necessary to future between U.S. and U.K. returns in order for a level of premium of about 30 per cent to be justified.

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the official exchange rate (so that they get only 75 per cent of the premium) and brings an inflow into the U.K. reserves which in 1974 was as high as £265m. but varies with the volume of activity.

Starting from the estimate that the pool of premium currency totals around £70m., the author argues that this suggests that U.K. residents holding foreign securities bought with investment currency with a market value of £10.5m. (with the premium at the time of the calculation standing at 50 per cent.)

Substantial

This suggests that foreign securities make up some 15 per cent of the average U.K. portfolio.

In new figures, the study shows that there has been a substantial fluctuation in the amount of such borrowing undertaken in recent years with a peak of £897m. in 1973. It argues that total outstanding borrowing to finance overseas securities could now total some £1bn.

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STOCK EXCHANGE REPORT

Gold shares and bullion rally but equities sensitive Index 4.6 off at 382.3—Courtaulds down on profits warning

Account Dealing Dates
Option
First Declara- Last Account
Dealing thons Dealings Day
July 12 July 22 July 23 Aug. 3
July 28 Aug. 5 Aug. 6 Aug. 17
Aug. 9 Aug. 19 Aug. 20 Sep. 1

"New time" dealings may take place from 1.30 a.m. two business days earlier.

Gold shares and bullion staged useful rallies yesterday after the recent sharp setback, but equity markets gave further ground in thin and sensitive trading conditions. Already drifting lower against a background of the continuing wrangle over the expected cuts in public expenditure and news of the assassination of the British ambassador to Ireland, leading equities received further unhelpful news following the profits warning from Courtaulds which closed 6 lower at 126p. There was some reasonable sized selling of Courtaulds which split over into some of the other leaders, but final quotations were a little above the day's worst. Down 5.4 at the worst of the day at 2 p.m., the FT 382.3, the share index closed 4.6 lower on balance at 382.3.

Gold shares responded to the sharp recovery in bullion, which closed \$62.5 higher at \$13.25 an ounce. Buying developed from the Continent and the Cape and closing gains were often substantial. This was reflected in the Gold Mines index which rose 13.1 to 121.9, after reacting 31.5 over the previous four trading days.

Gifts easier
Although bid speculation continued to feature, overall sentiment in equities became more pronounced; falls led rises by 4.1 in FT-quoted Industrials compared with 3.1 on Tuesday, while the FT-Actuaries All-Share Index lost 0.9 per cent to 157.74. Official markings of 4.011 compared with 4.061 on Tuesday and 4.287 a week ago.

Fears of a prolonged Cabinet

tussle over the proposed public expenditure cuts, following the rise in the unemployment figures left their mark on British funds yesterday. Short-dated issues bought developed at the lower levels. Once this had been completed, sellers gained the upper hand, particularly in the low coupon issues where final losses ranged to 1. The day's reaction, however, took place in a rather small turnover. It was a similar story in mediums and longs which recorded falls of 1 on balance at the close. The Government Securities index lost 0.23 to 62.83.

After staging a small recovery to 103.1 per cent, in the early stages, the premium succumbed to renewed selling of investment currency on arbitrage account and retreated to 104 per cent, to leave a fresh fall of 1 on the day. Yesterday's SE conversion factor was 0.7118 (0.7122).

Union Discount down
A disappointing interim profits statement depressed Union and dampened sentiment in other discounts. Union fell away to touch 810p before closing 10 down on balance at 315p. Similar falls were seen in Cater Ryder, 240p, and Seacombe Marshall and Campion, 230p, while Alexander's gave up 1 to 200p, after 185p, and Gilbert Bros. receded 4 to 184p. With the interim dividend season due to start on Friday with figures from Lloyds and Midland, home banks tended to cheapen on small selling orders. The former ended 8 off at 220p and the latter were 5 lower at 270p. Overseas issues were again dull with Hongkong and Shanghai a fresh 5 lower at 184p, while the former ended 7 off at 200p. In front of today's preliminary results, Commercial Bank of Australia gave up 5 to 270p. Hire Purchases came on offer with small losses seen in Lloyds and

Scottish and Provident Financial at the common price of 62p. Insurance continued to display an easier bias. Sun Alliance shed 9 at 401p and Eagle Star were 2 lower at 350p.

ICI reacted to 35p before rallying to close 5 cheaper on balance at 300p. Elsewhere in Chemicals, British Benzene 24 to 22p and Fisons declined 4 to 32p.

Mothercare dull
Mothercare featured easier. Stores with a fall of 3 to 197p on small sales in an unwilling market. Awaiting today's preliminary figures, Gussies' A eased another 2 to 185p. Debenhams also gave up 2 at 33p, while Marks and Spencer, 105p, and British Home Stores, 104p, both closed 3 easier, the latter following news of the deal with British Land (unchanged at 32p). Henderson-Kent, however, hardened a penny to 48p on the chairman's annual statement. Shoes shrugged aside adverse comment on the footwear industry and closed with little alteration.

Leading Electricals drifted down in further slow trading, although Plessey, 78p, after 77p, managed to close unchanged awaiting today's first-quarter figures. GEC declined 4 to 155p and BICC lost 3 to 113p. Elsewhere Jones Strong declined 1 to 100p, while the general dullness by hardening a penny to 57p with the aid of favourable Press comment at 83p, up 3, while Greene King hardened 2 to 162p, the latter following the annual report. The leaders gave ground, with Arthur Guinness a penny off at 123p, after 131p, and Bass Charrington 2 lower at 105p. Scottish and Newcastle were a penny cheaper at 35p after the chairman's annual statement.

Movements of note were few and far between in the late afternoon. British Steel edged 1 up to 140p, while Concrete Products Ireland, 80p, and A. V. Jennings, 160p, gave up 5 and 6 respectively. H. and R. Johnson-Richards, 115p, still reflecting the disappointing pre-

liminary results, cheapened 5 further to 157p. Against the trend, L. Fairclough moved up 3 to 171p.

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Movements of note were few and far between in the late afternoon. British Steel edged 1 up to 140p, while Concrete Products Ireland, 80p, and A. V. Jennings, 160p, gave up 5 and 6 respectively. H. and R. Johnson-Richards, 115p, still reflecting the disappointing pre-

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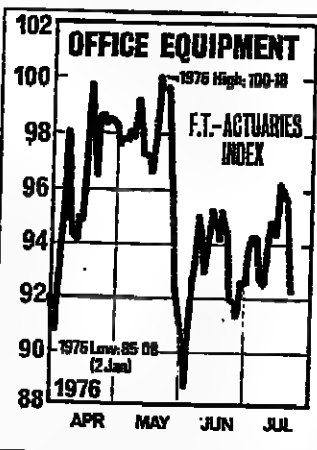
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FINANCIAL TIMES STOCK INDEX									
	July 1976	July 1976	July 1976	July 1976	July 1976	July 1976	July 1976	July 1976	July 1976
Government	62.25	62.25	62.25	62.25	62.25	62.25	62.25	62.25	62.25
Fixed Interest	62.25	62.25	62.25	62.25	62.25	62.25	62.25	62.25	62.25
Industrial Ordinary	382.3	382.3	382.3	382.3	382.3	382.3	382.3	382.3	382.3
Gold Mines	121.9	121.9	121.9	121.9	121.9	121.9	121.9	121.9	121.9
Over. Div. Yield	6.77	6.77	6.77	6.77	6.77	6.77	6.77	6.77	6.77
Earnings 1976 (pence)	10.77	10.77	10.77	10.77	10.77	10.77	10.77	10.77	10.77
P/E Ratio (1976)	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97	8.97
Debt to Equity Ratio	4.611	4.611	4.611	4.611	4.611	4.611	4.611	4.611	4.611
Equity turnover %	38.78	38.78	38.78	38.78	38.78	38.78	38.78	38.78	38.78
Equity turnover ratio	10.994	10.994	10.994	10.994	10.994	10.994	10.994	10.994	10.994

HIGHS AND LOWS									
	High	Low	High	Low	High	Low	High	Low	High
Govt. Sec.	62.25	60.19	12.74	49.18	100.00	100.00	100.00	100.00	100.00
Fixed Int.	64.43	59.75	150.4	50.55	100.00	100.00	100.00	100.00	100.00
Ind. Ord.	420.8	364.7	545.5	49.4	100.00	100.00	100.00	100.00	100.00
Gold Mines	246.9	108.8	442.5	45.5	100.00	100.00	100.00	100.00	100.00

F.T. ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries.

EQUITY GROUPS									
GROUPS & SUB-SECTIONS									
Wednesday, July 21, 1976									
	Index	Change	High	Low	Index	Change	High	Low	Index
1. CAPITAL GOODS (179)	144.64	-0.7	145.00	144.28	144.64	-0.7	145.00	144.28	144.64
2. Building Materials (30)	125.50	-0.8	125.80	125.20	125.50	-0.8	125.80	125.20	125.50
3. Contracting, Construction (23)	126.74	-0.4	127.00	126.48	126.74	-0.4	127.00	126.48	126.74
4. Electricals (18)	272.50	-1.2	273.00	272.00	272.50	-1.2	273.00	272.00	272.50
5. Engineering (Heavy) (13)	179.60	-0.5	180.00	179.10	179.60	-0.5	180.00	179.10	179.60
6. Engineering (General) (83)	124.36	-0.4	124.70	124.06	124.36	-0.4	124.70	124.06	124.36
7. Machine and Other Tools (9)	99.87	-	100.00	99.74	99.87	-	100.00	99.74	99.87
8. Miscellaneous (25)	121.63	-0.8	122.00	121.25	121.63	-0.8	122.00	121.25	121.63
9. CONSUMER GOODS (DURABLE) (53)	124.94	-0.8	125.30	124.64	124.94	-0.8	125.30	124.64	124.94
10. L. Electronics, Radio TV (15)	126.51	-1.0	127.00	126.01	126.51	-1.0	127.00	126.01	126.51
11. Household Goods (13)	126.08	-1.8	126.50	125.58	126.08	-1.8	126.50	125.58	126.08
12. Motors and Distributors (25)	79.89	-	80.00	79.78	79.89	-	80.00	79.78	79.89
13. CONSUMER GOODS (NON-DURABLE) (188)	146.69	-1.1	147.00	146.38	146.69	-1.1	147.00	146.38	146.69
14. Breweries (15)	165.89	-0.7	166.20	165.69	165.89	-0.7	166.20	165.69	165.89
15. Wines and Spirits (7)	162.89	-	163.00	162.78	162.89	-	163.00	162.78	162.89
16. Entertainment, Catering (14)	174.99	-0.9	175.30	174.69	174.99	-0.9	175.30	174.69	174.99
17. Food Manufacturing (22)	159.88	-0.4	160.20	159.68	159.88	-0.4	160.20	159.68	159.88
18. Food Retailing (16)	152.78	-1.0	153.10	152.48	152.78	-1.0	153.10	152.48	152.78
19. Newspapers, Publishing (16)	177.21	-0.5	177.60	176.91	177.21	-0.5	177.60	176.91	177.21
20. Packaging and Paper (12)	102.00	-0.7	102.30	101.70	102.00	-0.7	102.30	101.70	102.00
21. Stores (24)	120.86	-1.3	121.20	120.46	120.86	-1.3	121.20	120.46	120.86
22. Textiles (33)	147.85	-3.2	148.10	147.60	147.85	-3.2	148.10	147.60	147.85
23. Tobacco (3)	122.18	-2.1	122.50	121.78	122.18	-2.1	122.50	121.78	122.18
24. Toys and Games (8)	78.18	-	78.30	78.06	78.18	-	78.30	78.06	78.18
25. OTHER GROUPS (96)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
26. Chemicals (26)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
27. Office Equipment (9)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
28. Shipping (12)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
29. Miscellaneous (49)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
30. INDUSTRIAL GROUP (496)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
31. 800 SHARE INDEX	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
32. FINANCIAL GROUP (100)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
33. Banks (6)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
34. Discount Houses (10)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
35. Hire Purchase (5)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
36. Insurance (Life) (8)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
37. Insurance (Composite) (7)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
38. Insurance Brokers (9)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
39. Merchant Banks (18)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
40. Property (32)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
41. Miscellaneous (6)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
42. Investment Trusts (50)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
43. ALL-SHARE INDEX (650)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
44. COMMODITY GROUPS (Not included in 500 or All-Share indices)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
45. Rubbers (9)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
46. Teas (8)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
47. Coppers (3)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
48. Mining Finance (11)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
49. Tins (8)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
50. Overseas Traders (13)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
51. FIXED INTEREST	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
52. Consols 2 1/2% yield	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
53. 20-yr. Govt. Stocks (6)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
54. 20-yr. Red. Deb. & Loans (15)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
55. Investment Trust Pref. (15)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04
56. Com. and Ind. Pref. (20)	121.04	-1.7	121.40	120.64	121.04	-1.7	121.40	120.64	121.04

ACTIVE STOCKS

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

OFFSHORE AND OVERSEAS FUNDS

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FINANCIAL TIMES

Thursday July 22 1976

Join up with the


 Cooper Turner & Co.
 Manufacturers of industrial machinery

Europeans seek key machine-tool group takeover

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

TWO MAJOR European companies are seriously interested in taking over Kearsley and Trecker Marwin, the State-owned concern considered to be the key British-owned group at the high-technology end of the machine-tool industry.

This was disclosed yesterday by Mr. Walter Norton, whose company, W. E. Norton, is a long-standing shareholder in Kearsley. He refused to give the names of the two companies but said that the Department of Industry and the Treasury had been provided with these details. Mr. Norton is battling against the proposed scheme of arrangement for Kearsley which would de-nationalise the company but involve the Government in writing off £5m, and putting up nearly £2m more. Control would then pass to Vickers.

He said that both the interested overseas groups were comparable in status with Vickers but that they were much more deeply involved in machine-tool manufacture.

Fighting

Three executives from one of the companies are due to arrive in the U.K. this week to look over Kearsley which has its headquarters near Brighton. Mr. Norton said: "Until recently the impression was that only Vickers was eligible as far as the Department of Industry was concerned to propose terms as bidders for Kearsley. But I

have been assured by the Department that this is not so."

Permission has been given to Mr. Norton to present his opposition to the proposed scheme for Kearsley when it comes up for consideration in the High Court on Monday. He is to fight on three fronts.

Better terms
He wants either (1) better terms from Vickers as he claims the price offered for the Kearsley shares are "totally unrealistic" or (2) a takeover by some other company on terms which would protect the £412,000 shown in (W. E. Norton's) balance-sheet as the written-down value of its investment in Kearsley.

Thirdly, he has issued a writ against the Industrial and Commercial Finance Corporation (ICFC) in connection with advice given by it at the time of the merger of the Kearsley and Trecker Marwin, but Mr. Alan Williams, Minister of State for Industry, told the House that the Government would abide by any decision of the court.

During the debate he suggested that without the aid or the financial reconstruction as many as 800 jobs could be lost at KTM.

Post Office makes profit on letters

BY ARTHUR SMITH

THE POST Office made a profit on its letter service following a major price increase of last September, Sir William Ryland, the chairman, said in London yesterday.

Launching a vigorous defence of the corporation's return to profitability, Sir William declared: "I am not embarrassed. Why should I be?" He refused to give details from the annual report and accounts, due to be published next week, but he said the telecommunications operation was in profit as expected. Giro, after paying its first dividend to the Government, was also in surplus, and the letter service was in the black. Only the parcels operation continued, as a persistent loss-maker.

It is widely expected that the Post Office will report an overall profit of around £150m—a dramatic turnaround from the £306m loss the previous year.

Telecommunications are expected to make a profit of just under £100m, compared with the forecast £80m surplus at the time of the last tariff increase. Postal services, because of losses on parcels, are likely to show a deficit of £10m.

Sir William attributed the corporation's achievement partly to the success of the Government's privatisation policy, but also to the support given by staff in cutting costs. The Post Office had worked hard for its profits, which were essential to promote investment and create employment, Sir William maintained.

Thames Water Board bans garden hoses

FINANCIAL TIMES REPORTER

THE DROUGHT has forced the Thames Water Authority to take emergency measures. From Saturday, a total ban has been imposed on the use of hoses and sprinklers for domestic purposes throughout the region—although the area is better placed than the other nine that make up national water system for England and Wales.

Charges made by the authority for the use of a hose pipe or similar apparatus will be subject to a reasonable reduction in accordance with the statutory provision. The policy of banning hoses and sprinklers has also been adopted by water companies working as agents for the authority. The authority has appealed to consumers to cut water use

and "not in any circumstances to waste it."

Many people had responded to its appeals not to waste water, but the unprecedented drought rendered the restrictions necessary until further notice.

The Thames Water Authority serves about 12m. consumers, or a quarter of the population of England and Wales spread over 5,000 square miles stretching roughly from the Cotswolds to Dorset and from Banbury to the Hampshire downs and embracing London.

More than 900m. gallons of clean water are supplied daily at present. Almost half the supplies are drawn from the Thames, about 7 per cent. from the River Lea, and 44 per cent. from underground sources.

Continued from Page 1

Leyland £100m. aid given go-ahead

land's new Mini and Land Rover plans, and to some extent these appear to have been still left open for further argument.

The National Enterprise Board does state, however, that Leyland's corporate plan will require a roughly similar amount of external funding, at £500m. between this year and 1978 and a further £500m. to 1982, as that envisaged under the Ryder report.

Improvement

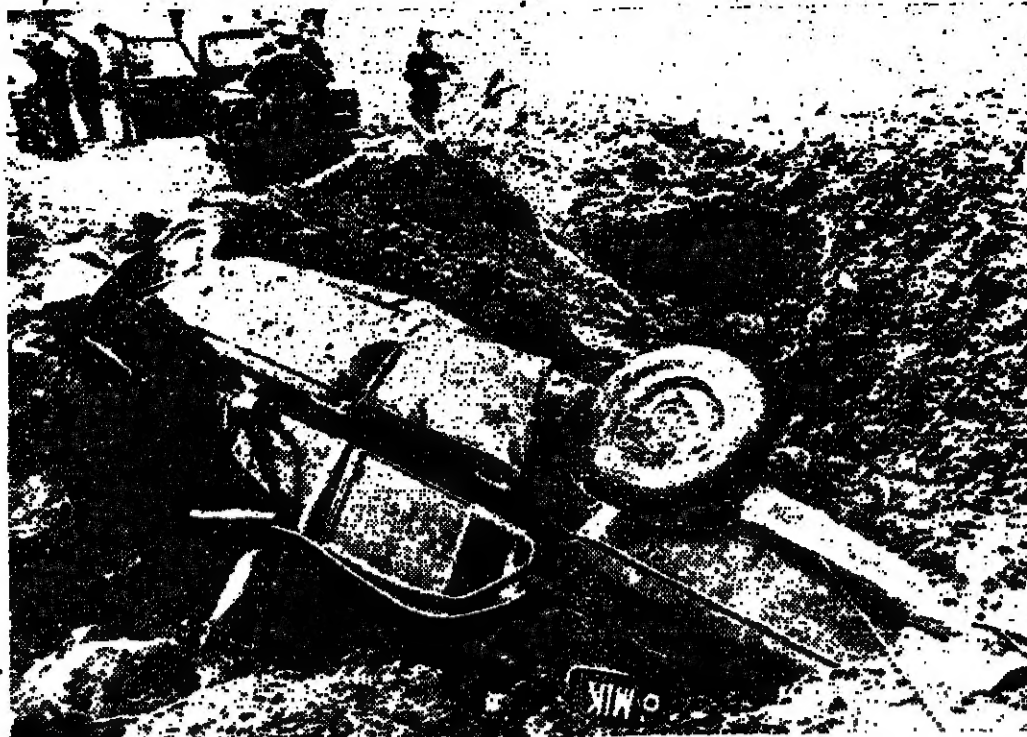
It discloses some improvement in productivity up 24 per cent. between last October and May, and a drop in the number of manhours lost in the same period.

It admits that "BL's performance since the new company was set up last autumn has been

disappointing in certain respects, notably in the loss of U.K. market share arising from the inability to produce enough cars to meet demand."

The report further discloses without giving details, that over the period 1976-83 Leyland plans to achieve total exports of nearly £1,000m. and that it is still aiming to get a return on capital employed rising to 18.1 per cent. in 1983—a downward revision of only 0.5 per cent. compared with the 19.6 in 1981.

Mr. Michael Heseltine and Mr. Tom King, Opposition spokesmen on industry, last night sought an urgent meeting with Mr. Varley. They claimed he had failed to fulfil his undertaking to keep Parliament fully informed, and that the National Enterprise Board had produced an inadequate report.



The wreck of the car in which Mr. Christopher Ewart-Biggs, Britain's Ambassador to the Republic of Ireland, was killed, lies in the landmine crater.

Continued from Page 1

Search for killers of envoy

CHARTERS. She sent a message of condolence to Mr. Ewart-Biggs's widow.

An Ulster Unionist MP, Mr. James Kilfedder, said in London that he thought the "dastardly act might bring the Dublin Government to take action they should have taken years ago against the terrorists who find sanctuary in Eire and train and arm themselves and collect money."

It might also force the British Government to do something to bring pressure to bear on the Irish Republic to protect the representative of the Crown in Ireland.

Irish police are searching for three men who were observed at the scene of the explosion and for two escape cars, one of which has a Northern Ireland registration. Officials refused to be drawn about whom they believed

responsible, but Justice Minister, Mr. Patrick Cossey, said: "Our suspicions would naturally fall in the direction of extreme republican groups."

Mr. Brian Cubbon, Ulster Permanent-Secretary, is not thought to have been the target of the assassins. He was on a surprise, semi-secret visit to Dublin and had arrived the previous night. Both he and 26-year-old Miss Cooke, as well as the Ambassador's chauffeur, Mr. Brian O'Driscoll, who was seriously hurt, were in the car.

The main rival republican organisation to the Provisionals, the Official IRA, promptly issued a statement through its official Sinn Féin wing in Dublin condemning the murders. The Irish Government is determined to capture the murderers and execute them as a deterrent

measure but, most of all, it is concerned to be seen to act firmly in order to protect the Irish nationals living in Britain from a violent backlash similar to that which occurred after the Birmingham bombings in late 1974.

The motive for the killing of Mr. Ewart-Biggs remains a mystery, for the probable outcome is a wave of revulsion that will cost the entire republican movement dearly both in Ireland and in Northern Ireland. He was what the Provisionals have in the past described as a "soft target" and therefore not one that the movement could expect to gain sympathy by attacking. But in Dublin to-night there is speculation that his death may have been engineered by the extremist "hawk" faction in the Provisional IRA's ruling seven-man "Army Council".

1,400 jobs to be pruned at International Computers

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

INTERNATIONAL Computers (Holdings), which is 54.4 per cent. owned by the National Enterprise Board, told employees yesterday that it needs to reduce the workforce by about 1,400 by September next year.

The reduction represents a drop of about 15.5 per cent. on the 9,000 employed in the company's manufacturing division.

All five of ICL's main manufacturing centres will be affected to some degree but the plant at Winsford, Cheshire, which produces the System 4 range—now superseded by newer equipment—will be among the worst hit.

ICL said that although the value of its order book continued to grow, the never

generation of equipment required a much-reduced labour content in its manufacture because of the technology involved.

Further, ICL, which has shown good growth in productivity per person over recent years, needs to maintain this growth in order to remain competitive with other computer manufacturers who are themselves continually improving their productivity.

ICL, in which Plessey also has a 24.4 per cent. stake after the sale by GEC of its shares in May, said that it hoped to cut the workforce to some extent by normal wastage and by schemes for early voluntary retirement and selective voluntary redundancy.

In addition, it would

release temporary or part-time staff, freeze recruitment; and reduce the amount of work put out to sub-contractors. Planned overtime would also be eliminated.

ICL explained the situation to the national officials of the relevant trade unions on Tuesday and local representatives at the factories were told yesterday.

"Joint consultation will continue at each ICL factory to identify ways and means of handling the local problem, to choose the most appropriate solution and to monitor progress in a way that will serve the best interests of our employees and the continuing needs of our customers," it

Enterprise Board takes control of Data Recording for £2m.

BY DAVID FISHLICK, SCIENCE EDITOR

THE National Enterprise Board has injected £2m. and taken a controlling interest in Data Recording Instruments Company, the largest U.K. manufacturer of computer peripherals. This comes on the advice of the National Research Development Corporation, one of "Data Recording's shareholders.

By subscribing for 2m. new £1 shares at par in Data Recording, the Board has almost doubled the working capital of this research-based company to £4.5m. It has also bought 400,000 £1 shares from existing shareholders.

As a result, the Board has 53.83 per cent. of the equity. Grundy (Teddington) holds 19.1 per cent. and the National Research and Development Corporation holding has been reduced from 45 to 26.97 per cent.

The National Enterprise Board said yesterday that its participation was in accordance with its policy of providing support to growth industries.

Data Recording—one of the biggest independent manufacturers of computer peripherals and magnetic recording heads—has been engaged in advanced technology in which the Corporation has invested a total of £1.5m. over the last two years.

The Corporation's shareholding has increased in three steps to 45 per cent. But at this stage, said Mr. Bill Mackintosh, chief executive and the Corporation representative on the Data Recording Board, further investment would give the Corporation control which, as a matter of policy, it did not want.

Over the last year the Corporation has approached several U.K. electronics groups with a direct interest in Data's product range in the search for a backer to help bring in more than just the money to support its five-year plan. But none was willing to commit management resources to what was seen as a high-risk enterprise involving a substantial research effort, said Mr. Mackintosh.

However, the Corporation found the National Enterprise Board willing to provide cash "with very few strings attached."

Data's primary product is the disc memory and its market is the small computer system manufacturer. It was built up originally on U.S. licences as an offshoot of International Computers, from which Grundy acquired control in 1972. In 1974, the Corporation came in to support its development programme with loan and share capital.

Kaufman denies Plaid deal

BY LORNE BARLING

THE GOVERNMENT denied yesterday that any deal had been made with Welsh Nationalist MPs on their abstention in the Commons vote on shipbuilding nationalisation and the exclusion of Bristol Channel Ship Repairers from the Bill.

The Department of Industry said that Mr. Gerald Kaufman, Minister for Industry, had made it clear to Plaid Cymru that it was the Government's intention to retain the company in nationalisation plans.

However, Mr. Dafydd Wigley, MP for Caernarfon, maintained that an agreement had been reached. Mr. Gwynfor Evans, Plaid Cymru Leader, said after the vote that assurances had been given by Mr. Michael Foot, Leader of the House, that an

amendment on the issue would be debated at a later stage in the Bill and that it would not fall under the guillotine.

Mr. Wigley said last night: "The truth of this matter will emerge next week when we know if the amendment will be debated."

If it is not debated it is possible that evidence will be produced to prove that discussions between the two parties did take place. It is also likely that more obstructions will be placed in the way of the Aircraft and Shipbuilding Industries Bill.

It is hoped by the three Plaid Cymru MPs that two amendments will be debated, one limiting the size of the workforce of companies included, thus excluding

THE LEX COLUMN

Rolling out Molins

The response this morning to the Hambro Life issue has a bearing on the prospects for the £10.3m. Molins offer for sale next Tuesday but the two companies are, of course, very different propositions. In particular, Molins is a long-established industrial company in an unglamorous field—mainly the manufacture of cigarette making and packing machinery.

It is a company, however, which has seen big changes in the past five years. Until 1972 its record was highly erratic, but outside management was brought in (only one family director remains) and Molins embarked on a sizeable expansion programme which included a major acquisition—the £20m. purchase in the U.S. of Langston, corrugated board machinery makers, in 1974—and the spending of £10m. on other fixed assets in 1974 and 1975.

The rise in net indebtedness from under £4m. in 1973 to £19.4m. at the end of last month indicates why Molins wishes to raise £6m. through the issue. The Molins family is also taking the opportunity to lighten holdings, but the BAT and Imps stakes remain unchanged (each falling in proportionate terms, from 29 to under 24 per cent.).

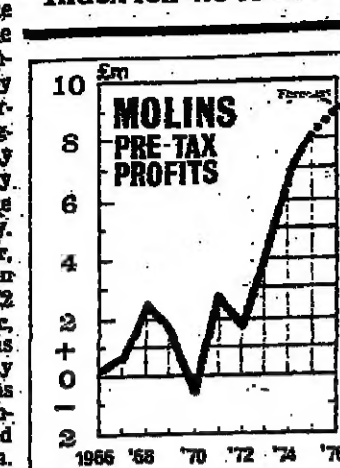
Efforts to improve efficiency and profitability have clearly borne fruit in recent years but the drawback is that Molins already has a large penetration of its specialised market—a world market share of 45 per cent. in cigarette-making machinery. Similar considerations apply to the main diversification, into paper and board converting equipment (over a fifth of trading profits), for Langston claimed 70 per cent. of the U.S. market in 1975.

So Molins does not look a convincing growth stock, being overshadowed by all the uncertainties of the tobacco industry. On the other hand it is of a decent size for institutional investors—capitalised at £35m.—and will have shareholders' funds of over £40m. after the issue. With its slight yield advantage Molins could well slot into the engineering section at around 125p, for a modest premium over the offer price.

Renown Inc.

Japanese companies, have been raising equity money since last autumn, but it will be happy if it raises and the shares, which is small beer much to go deep special about the decision by

Index fell 4.6 to 382.3



last year. The cynicism is that we are sure how much more term there is a credit ready raises about £100m. of money in markets and is institutions such as pension funds might attractive investment bling black for individuals is that a provision for money during the term, and the short long way short of with the building. Another unknown adequacy of the structure. FFI has shorter rates about 10% above comp.

Renown Inc. to obtain a London listing and to raise U.S.\$16m. via a public offering in the form of European depositary receipts. For some years now Japanese companies have been moving away from the London Stock Exchange—the number listed fell from ten to three—primarily because of stringent requirements. This March, however, the Stock Exchange cleared away what had been the biggest hurdle by deciding that companies could make public offerings at a discount without infringing the rules in London, provided that the terms had been approved by the Japanese Finance Ministry.

Costafoods

The news from Costafoods that there is a "likelihood" of first being any better than depressed £22.1m. in the analysts, who by feeling something and knocked the lower to 125p. B recovery hopes have back a little, there is reason to this underlying trends significantly. The news in polyester is no great headline: acrylic fibre hardening, and substantial capital coming through the

Union Disco

Falling interest with profitable gilt-edged led to a quarter for Union Disco since then the turned very sour. Only more or less rate, the Japanese Finance Ministry now seems to be taking a tougher line with companies that want to raise debt overseas.

Term finance

FTF's decision to try and attract amounts of up to £25,000, the domestic market for terms of 3 to 10 years at almost permanent fixed rates from the general squeezing of public representations of Union's story. Mr. Alexander's earlier leap into the dark, but it will be happy if it raises and the shares, which is small beer much to go deep special about the decision by

Weather

U.K. TO-DAY

SUNNY PERIODS with variable cloud and mostly dry except in extreme Western parts N. Ireland and West Scotland which will be cloudy with rain.

London, South England, North and NE England, E. Anglia, the Midlands, Channel Isles. Variable cloud with sunny periods. Mainly dry. Max. 21C (70F).

SW and NW England, Wales. Rather cloudy but mostly dry, with some bright intervals. Max. 19C (66F).

Lakes, Isle of Man, West Scotland, Highlands, N. Ireland. Mainly cloudy with rain or drizzle at first, becoming mostly dry with some bright intervals. Max. 18C (64F).

Borders, Edinburgh and East Scotland. Mainly dry with sunny periods. Max. 20C (68F).

Outlook: Rain in the North followed by showers. Dry in the South with some rain later.

HOLIDAY RESORTS

Friday	Mid-day	Friday	Mid-day
Alexandria	29	Madrid	29
Amsterdam	17	Manchester	17
Barcelona	28	Medford	18
Belfast	15	Milan	18
Belgrade	25	Montreal	20
Berlin	18	Moscow	22
Birmingham	18	Munich	20
Bristol	18	Newcastle	18
Buenos Aires	14	New York	21
Budapest	32	Ola	22
Cairo	28	Paris	20
Cardiff	17	Perth	20
Cebu	17	Prague	22
Cologne	18	Reykjavik	11
Copenhagen	18	Rio de Janeiro	23
Dublin	18	Rome	22
Edinburgh	17	Singapore	27
Frankfurt	17	Stockholm	18
Glasgow	18	Sydney	25
Glasgow	17	Toronto	20
Helsinki	14	Tel Aviv	28
Hong Kong	28	Tokyo	28
Jo'burg	24	Toronto	20
Lisbon	24	Vancouver	20
London	20	Warsaw	21
Luxembourg	15	Zurich	18

BUSINESS CENTRES

Algiers	F 27	Luxor	S 27
Algeria	F 27	Madrid	S 27
Bombay	F 27	Manila	S 27
Buenos Aires	F 27	Mexico	S 27
Cairo	F 27	Nairobi	S 27
Dahomey	F 27	Nassau	S 27
Dubrovnik	F 27	Nice	S 27
Geneva	F 27	Nicosia	S 27
Havana	F 27	Rhodes	S 27
London	F 27	Salzburg	S 27
Lyons	F 27	Toronto	S 27
Manila	F 27	Tunis	S 27
Medford	F 27	Valencia	S 27
Moscow	F 27	Venice	S 27
Munich	F 27	Winnipeg	S 27
Nairobi	F 27	Zurich	S 27

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